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Held at Headquarters, New York, on Wednesday, 29 June 2005, at 10 a.m.

President: Mr. Akram ..... (Pakistan)

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The meeting was called to order at 10.10 a.m.

Opening of the session

1. **The President** declared open the substantive session of 2005.

Adoption of the agenda and other organizational matters (E/2005/49, E/2005/64, E/2005/76, E/2005/100, E/2005/L.9, E/2005/L.10 and E/2005/CRP.2)

2. *The agenda, as contained in document E/2005/100, was adopted.*

3. **The President** drew attention to the proposed programme of work contained in E/2005/L.9 and the oral revisions made during informal consultations.

4. *The proposed programme of work, as orally revised, was adopted.*

5. **The President** drew attention to the requests from non-governmental organizations for hearings before the Economic and Social Council contained in document E/2005/76. He would take it that the Council agreed to hear statements by some of the non-governmental organizations listed therein.

6. *It was so decided.*

Statement by the President

7. **The President** said that there was a sense of urgency in the deliberations of the Council to respond to the challenge of development. At the current pace, the Millennium Development Goals might not be realized for a hundred years or more. Yet there was hope that the political will was being generated to succeed in meeting the challenge of redressing extreme poverty, hunger and disease. The world had the financial, human, technological and institutional capabilities to meet the Millennium Development Goals, and indeed, many developing countries were meeting the challenge of growth and development.

8. He congratulated the European Union for its commitment to the 0.7 per cent target for official development assistance and the timetable for its implementation, as he welcomed the agreement of the Finance Ministers of the group of eight major industrialized countries to cancel the debt of the 18 poorest countries.

9. Developing countries, including the poorest in Africa, accepted their responsibility for their own development. Good national policies and governance were a prerequisite, but the enormity of the challenges they faced and the external vulnerabilities that impacted on their endeavours must not be minimized. Solutions for global underdevelopment must be comprehensive and coherent, encompassing adequate external financing for development, trade opportunities and good global governance. Such comprehensive and coherent solutions could be evolved only within the framework of the United Nations and its economic and social arm, the Economic and Social Council.

Address by the Secretary-General of the United Nations

10. **The Secretary-General** said that the state of the world economy remained robust. One of the more striking aspects of the strong growth seen in recent years was that it was widespread among developing countries and economies in transition. Another was the resurgence of growth in sub-Saharan Africa, with many countries achieving annual per capita growth of 3 per cent, expected to reach 5 per cent in 2005.

11. Those promising trends were not free from risk, such as higher oil prices and the current global economic imbalances in trade, which could stall momentum. The biggest challenge remained: to translate growth into development for all. Economic growth was vital, but not sufficient by itself. If economic growth was to make greater inroads against poverty, there was a need for smarter policies, more resources and closer partnerships. Only then would the benefits of globalization reach all people, including those who needed it most. The 2005 World Summit offered a once-in-a-generation opportunity to boost efforts to reach the Goals, and to advance the broader development agenda.

12. He hoped other donors would follow the lead of the European Union, which had agreed to a substantial increase in official development assistance over the next decade, half of which would be used in Africa. The commitment of the Group of Eight to reach agreements on significant debt relief for the poorest countries was another very promising step. He hoped that similar political will could be brought to bear for the successful conclusion of the Doha Round of trade negotiations, so that developing countries could compete in the global trading system on a fair and

equal basis. Of course, developing countries must do their part by devising national strategies bold enough to meet the Goals, promoting accountable and transparent governance, adopting policies to stimulate the private sector and investing in human capital through education and health.

13. Such steps were vital, but development would be neither meaningful nor sustainable unless security and respect for human rights were also ensured. Developing countries suffered disproportionately from armed conflict, the proliferation of small arms and denial of human rights. Their development prospects would be dealt a blow should there be a collapse of the international regimes currently holding in check the spread of nuclear, chemical and biological weapons. An expensive arms race would divert even more funds from development, and any use of a nuclear weapon would have devastating effects on the world economy as a whole. There must be simultaneous progress on the development, security and human rights fronts.

14. As a central body for articulating development policy and ensuring policy coherence, the Economic and Social Council had unique strengths. It was well-placed to promote an integrated approach to development, as the only organ mandated to coordinate the activities of the United Nations system and engage with non-governmental organizations. Its current task was to follow through on the development commitments that had emerged from the conferences and summits of the past decade.

15. There were three related dimensions of that "implementation challenge". First, in order to bring the various strands of implementation together, he had suggested that the Council should hold annual ministerial-level assessments, which, if approached in a participatory way, could help maintain momentum towards the Goals. Second, policy discussions must be connected in a much more systematic manner with operational activities on the ground by bringing together all key development actors to address all aspects of development cooperation. With that in mind, he had called on the Council to convene a biennial, high-level Development Cooperation Forum. Third, threats and challenges in the economic and social area must be met with the same urgency that was brought to peace and security crises. The international community could not predict, but it could prepare, through effective early warning and a strong culture of prevention. The Council was well suited to these coordination tasks but it could not deal with them only at its annual substantive session. Therefore, he had recommended that the Council should hold timely meetings to respond to events that might seriously affect development progress.

16. Such steps were intended to make the Council more flexible and dynamic, and ultimately more relevant to those who looked to it for guidance. He had also called on the Council to reinforce its links with the Security Council in order to deal more systematically with the economic and social dimensions of conflicts, and to work closely with the proposed Peacebuilding Commission, building on its efforts over the years to sensitize the world to the special economic and social challenges facing countries emerging from conflict.

17. Despite differences, agreement was within reach on many of the main issues and proposals put forward in the draft Summit outcome document. Every effort must be made to ensure that the 2005 World Summit took bold steps towards making poverty history.

Voices against poverty

18. **Mr. Stiglitz** (Nobel Laureate in Economics, 2001) said that the international community understood the need to reach the Millennium Development Goals, and had reached a consensus that more resources were needed. However, more than aid was required. Initiatives at the international level were needed in the areas of trade, global financial stability and innovative finance.

19. He welcomed the Doha round of trade negotiations, but had been saddened by some of the recent developments. He welcomed the recent European Union "everything but arms" trade initiative, but regretted that many countries had reneged on their commitments in that area. A true development round of trade negotiations would deal with more than agriculture and would address a broad agenda. A fair international trading regime would aid progress towards the Millennium Development Goals.

20. Increasing global financial instability indicated that the group of eight major industrialized countries and the International Monetary Fund (IMF) had not been paying enough attention to that area. The deeper questions were why the developing countries had suffered so much from instability, and why it was so widespread. The answer lay at least in part in a massive market failure, where it was not those most able, the

industrialized countries, but the developing countries who bore most of the global financial risk. Debt levels had become unbearable, as most Latin American countries could attest. The IMF should take the initiative to shift risk away from developing countries and design loans to make the risk of interest and exchange rate fluctuations easier to bear.

21. The macroeconomic policy of the United States and the underlying structural problems of the global resource distribution system were responsible for the high level of global financial instability. There was an underlying inequity in a system which required developing countries to put aside huge financial reserves, effectively burying them in the ground, rather than using them to stimulate their economies. That amounted to lending to the richest country in the world at interest rates below 3 per cent, while borrowing from it at rates of 10, 15 or even 20 per cent, resulting in a net flow of resources to the richest country. If the global reserve system could be changed, not only would the money necessary to meet the Goals be available, but the deflationary pressure on the global economy that the reserves represented would be eliminated. In effect the United States was receiving billions of dollars in assistance every day from the developing world, and it was time to think about an alternative system.

22. The developing countries provided services to the world — such as environmental services and preservation of biodiversity — for which they were not compensated. Under the Kyoto Protocol, it was possible to place a monetary value on their services in the area of greenhouse gases, which could be a source of development finance. Deforestation was also a significant problem because of its contribution to global warming; through the Rainforest Coalition and other similar groups, developing countries could be compensated for carbon sequestration. It was not just a matter of fairness, but it gave them an economic incentive to care for global resources.

23. **Mr. Somavia** (Director-General, International Labour Organization) said that while political and economic progress was evident in many spheres, as evidenced by recent pledges for greater debt relief and higher ODA commitments, much still remained to be done. A deep-rooted anxiety prevailed in the world. Consequently people were looking for scapegoats and finding them in, inter alia, regional and international institutions, the issue of migration and globalization.

24. In his view, the main challenge was to solve the employment problem globally. People everywhere wanted a fair chance at a decent job. The Goals pointed in the right direction as they called for young people to be given a chance to find decent and productive work — work that respected core labour standards and offered social protection. The Secretary-General's report (A/59/2005) had stressed the importance of expanding that right to all able bodied men and women. Creating employment globally was critical to reaching the development goals and addressing unemployment. While in 2004 global economic growth had reached 5 per cent, only 500,000 new jobs had been created worldwide, and in some regions the informal economy had accounted for about 90 per cent of these jobs.

25. The crisis in the job market was the pressing political issue of the day. Much was at stake if the problem was not addressed: the credibility of democracy in Latin America, the viability of open markets and the durability of regional integration. Progress was being made at the regional level; for example, the African Union now saw employment as a key way out of poverty; employment was part of the European Union's social agenda; and most Governments of the Middle East had identified unemployment as a major source of instability.

26. However, the issue was given scant attention at the United Nations. He wondered what the Council was planning to do about global unemployment and noted that, as a global forum with important coordinating functions, it had a unique opportunity to help solve one of the main issues of the present day.

27. **Mr. Guterres** (United Nations High Commissioner for Refugees) said that refugees and displaced persons remained voiceless in the international community. Millions of such people were victims of human rights abuses, war and conflict and had no access to the benefits of the Millennium Development Goals.

28. Three issues needed to be addressed. Firstly, the voices of all groups of people should be taken into account; that called for institutional changes. National millennium development strategie. seldom included displaced persons in their plans. A recent review of the Poverty Reduction Strategy Papers (PRSPs) and of United Nations Development Assistance Frameworks (UNDAF), for example, found that displaced persons

were often depicted negatively, yet such people had skills and could contribute to the attainment of the Goals.

29. Secondly, even though many of the poorest people lived in conflict-ridden countries or nations just emerging from strife, scant attention was paid to the linkage between conflict and the Millennium Development Goals. The Secretary-General had himself clearly emphasized that security, development and human rights were interdependent.

30. Thirdly, there was an enormous gap between relief and development; that was due, in large measure, to insufficient efforts on the part of the humanitarian agencies to participate in discussions and policy formulation of the Goals and to listen to the voice of the poor.

31. He stressed that the goals of poverty eradication, achieving universal primary education and promoting gender equality were equally important to humanitarian and development actors. In conflict and post-conflict situations, humanitarian assistance must lay the basis for longer-term development to attain the Millennium Development Goals. Indeed, strategies for attaining those Goals should incorporate a conflict-prevention lens. Only then could a country reduce the odds of its sliding back into violence within five years of the end of a conflict.

High-level policy dialogue and discussion on important developments in the world economy and international cooperation with the heads of financial and trade institutions of the United Nations system

32. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that the anticipated growth of the world economy in the period 2004-2006 was not only stronger than in the past few years, but was unusually widespread among developing countries and economies in transition. Developing countries as a group were expected to grow by almost 6 per cent in that period.

33. The higher economic growth in many developing countries was due, in part, to improvements in national domestic policies, greater domestic demand because of more stable economies — and in some cases, more stable political conditions — and, in part, to an international economic environment that, for most developing countries was more favourable than at any period since the 1970s.

34. Financial flows to developing countries were increasing, as was official development assistance. Despite those improvements, the net transfer of financial resources from developing countries continued to increase — reflecting a build-up of foreign exchange reserves by several countries rather than debt-service payments as in the 1980s — raising the question of whether the international financial system could be reformed in such a way as to encourage the countries concerned to use the resources domestically in ways that would yield more tangible economic benefits.

35. Presently, a greater risk of a sudden and disruptive shock to the world economy seemed likely to stem from the large and widening global imbalances, in particular, the United States current account deficit was expected to rise to over $700 billion in 2005. As long as that deficit persisted there would be a risk of adverse reactions. Analysis and evidence to date suggested that the depreciation of the United States dollar alone was not sufficient to reduce the imbalances to sustainable levels. A more comprehensive and long-term set of measures was required. That could not be achieved without more concrete international economic coordination aimed at rectifying the imbalances. The present time presented an ideal opportunity to begin such corrective action, given the relative strong position of the world economy.

36. The current economic strength of many developing countries demonstrated that substantial progress was possible under the right domestic and global economic conditions. Addressing the global imbalances should be seen as part of the long-term global development agenda. The more so, since any deterioration in the external environment stemming from global imbalances would negatively impact the immediate and long-term prospects of developing countries, including their efforts to achieve the internationally-agreed development goals.

37. **Mr. Panitchpakdi** (Director-General, World Trade Organization), noting that he had just returned from a meeting of trade ministers of least developed countries (LDCs) held in preparation for the sixth Ministerial Conference of the World Trade Organization (WTO) to be held in December, said that the issues under discussion were far from simple. First, the unprecedented growth seen in 2004 — with developing countries achieving a 31 per cent share in

world merchandise exports for the first time in 50 years, LDCs recording a 0.68 per cent share of world merchandise trade, their largest since the mid-1980s, and the world economy achieving unprecedented output expansion — was the result of commodity price cycles and might not continue in the coming years, particularly given the current high oil prices. Second, while China's emergence as one of the world's most important traders had impacted positively on world trade, particularly in terms of commodity prices and expansion in Asia, such developments were causing concern in areas such as textiles and energy. Third, even though — given the world economy's dependence on the United States economy — the latter's current 7 per cent trade deficit needed to be addressed, any reduction would also slow down the world economy and global expansion. Lastly, any progress on subsidies and tariffs in the Doha development agenda would create problems for small, vulnerable economies, as their level of protection would fall.

38. For the first time, trade negotiations were poised to achieve an unprecedented commitment by developed countries to eliminate export subsidies and domestic support. Discussions would also touch on tariff peaks and escalations, which had thus far prohibited commodity-dependent countries from diversifying their economies, market access, trade-related technical assistance, rules on preferential treatment, the special role of small economies, and related issues such as debt and finance. Following their meeting in Zambia, the least developed countries would be seeking a binding commitment on duty-free and quota-free access — one of the targets of the December Ministerial Conference; erosion of preference, accompanied by financial support from WTO, the World Bank, IMF and the United Nations Conference on Trade and Development (UNCTAD); a strengthened integrated framework in order to mainstream trade into poverty-reduction strategies (in that regard, WTO was working with the financial institutions in an effort to increase financial support, for example through the proposed aid for trade mechanism, which would be discussed at the next Doha development agenda meeting); and, lastly, WTO accession for more LDCs. Above all, they had asked WTO to coordinate with other key international organizations on issues such as trade, debt, finance and economic performance. Such coherent action was now being pursued and was part of the reforms under way in various institutions.

39. **Mr. Sarbib** (World Bank) said that although 2004 had seen an upward trend in economic growth, even in Africa, it was unlikely that the Millennium Development Goals would be achieved by 2015. The most distressing factor was that remedies did exist for all those problems — whether HIV/AIDS, the number of under-five-year-olds dying from preventable diseases or the number of women dying during pregnancy or childbirth.

40. In order to accelerate progress, poor countries and donors needed to take action in five key areas to: ensure that development efforts were country-owned and inclusive; improve the environment for private sector-led economic growth; scale up delivery of basic services by increasing the supply of health and education professionals, providing more flexible and predictable financing and building capacity; dismantle barriers to trade through an ambitious Doha Round, including agricultural reform and increased "aid for trade"; and double development aid in the next five years, while improving the quality of aid through better coordination and harmonization. While there had been progress in all five areas, he hoped that the Group of Eight (G-8) summit in July would confirm the proposal to cancel the debt owed by 18 of the world's poorest nations to international institutions such as the World Bank and signal the start of a comprehensive approach to debt. However, debt forgiveness must supplement, not replace, new development aid; long-term aid must therefore also increase.

41. Recalling the Secretary-General's comment that development challenges needed to be addressed with the same urgency as security, he said that business as usual was not enough. Basic services such as education, health care and literacy, taken for granted in rich countries, were often either unavailable or of a poor quality and expensive in poor countries. As such services were essential to achieving the Millennium Development Goals, more attention needed to be devoted to service delivery. There were three main hurdles in that regard: scaling up service providers, inter alia by establishing a global partnership to ensure that developing countries had access to trained medical personnel and creating a macroeconomic framework so that service providers could be hired at the necessary rate; ensuring sustained financing, with particular emphasis on predictable financing to encourage Governments to commit to long-term plans, and improving governance and accountability, to ensure

that extra resources resulted in more effective service delivery. In many countries services needed to be delivered by the public sector. While the World Bank's Education for All Fast Track Initiative (FTI), whereby donors promised increased aid to poor countries that drew up serious primary education plans, had enjoyed some success, most wealthy countries had yet to make good on their promises. Without such financing, poor countries were reluctant to commit. The success of FTI in several countries, such as Nicaragua and the Gambia, should, however, encourage the international community to continue in that direction.

42. He emphasized the need to focus not only on HIV/AIDS, but also on other diseases such as malaria, for together they cost African countries between 2 and 3 per cent of gross national product (GDP) each year. Stopping or reversing such diseases would therefore have clear human and economic benefits. In that regard, the World Bank had just launched the Global Strategy and Booster Programme to help developing countries make faster progress on combating malaria.

43. For economic growth to have a real impact, the international community needed to focus on service delivery and ensure that growth equalled job creation and that poverty-reduction strategies were inclusive and well adapted to the realities of the country concerned.

44. **Mr. Fortin** (United Nations Conference on Trade and Development) said that all regions had enjoyed high, if varying, levels of growth in 2004 and important steps were being taken to create an international environment that would support the development efforts of developing countries. Such developments reflected growing acceptance of the need to increase concessional development assistance to developing countries.

45. Growth in developing countries was essentially the result of increasing global demand, particularly from China, and the strong United States economy; that was particularly visible in Africa. However, the average growth rate in Africa masked considerable differences in country performances. Only 13 African nations (about two thirds of which were oil exporters or recovering from a very low base) had recorded real output growth of over 5 per cent in 2004, while the vast majority had fallen short of the 7 per cent needed to attain the Millennium Development Goals. Any significant slowdown in the world economy could set back the performance of Africa, Latin America and many Asian countries. Such a scenario could not be dismissed given the current high oil prices and the current account imbalances affecting the United States. Moreover, even if present trends continued, some parts of the world would simply not reach the growth rates needed to achieve the Goals within the envisaged time frame, hence the need for a substantial increase in external resource availability.

46. The G-8 debt relief proposal needed to be expanded to cover more countries and more types of debt and supplemented with substantial progress on trade and a significant increase in official development assistance (ODA). Having long called for a doubling of assistance to sub-Saharan Africa for some time, UNCTAD was pleased that that approach had now become part of generally accepted wisdom on development cooperation. The way forward on trade had already been spelled out repeatedly, including in the Doha programme of work; what was needed now was the political will to apply those recommendations. The wider development agenda, meanwhile, was an area of concern. While poverty eradication and social aspects such as health and nutrition were undoubtedly the most pressing issues, they were not the only ones. UNCTAD research had shown that different investment and growth strategies had different implications for the distribution pattern of growth benefits. It was therefore essential to identify development strategies that would put additional resources to good use. As noted in the Secretary-General's report (A/59/2005, para. 30) the Millennium Development Goals did not address the issues of particular needs of middle-income developing countries — which still faced formidable problems and had a right to international support — and inequality, both of which were key issues. A development model that generated inequality was not only politically and socially unstable, but also economically less efficient than one that promoted equality. Moreover, inequality bred social unrest, violence and terrorism. Development strategies needed to speed up investment and growth and generate employment. While market forces and the private sector must direct strategies, they must be supported by an active, effective, efficient and honest public sector.

47. Quoting Joseph Stiglitz, he said that there was a need for a modern industrial policy characterized by market-friendly but decisive policy interventions aimed at steering investment and accumulation in the right

direction. According to Stiglitz, such policies and strategies should be guided by a national, country-specific vision of where the economy should be going. However, if national Governments were to assume control of their own development destinies, they should be able to use a range of policy instruments to devise and implement their chosen development strategies — an issue known as policy space. The call for consideration of policy space was not a licence to renege on international commitments, but rather a call for the impact on the policy space of developing countries to be kept in mind when setting the agenda for future negotiations, implementing existing commitments and interpreting rules. UNCTAD was developing a programme of work aimed at relating the issue of policy space with the issue of policies to expand productive capacity and foster competitiveness in developing countries.

48. Given the importance of improved governance for successful implementation of nationally-owned development strategies, UNCTAD had discussed international governance (e.g. the coherence and transparency of financial, monetary and trading systems and the full and effective participation of developing countries in global decision-making) and national governance (e.g. economic governance, democratic institutions, freedom, peace and security, domestic stability, human rights, the rule of law, gender equality and just and democratic societies). A number of UNCTAD programmes also sought to improve economic governance, the importance of which could not be overstated. Indeed, according to a recent United Nations Development Programme (UNDP) report entitled "Democracy in Latin America", 56.3 per cent of respondents believed economic development to be more important than democracy, while 54.7 per cent would support an authoritarian regime if it resolved economic problems. Accelerated development was therefore not only relevant for humanitarian reasons, but also essential to safeguarding democracy, the rule of law and human rights in the long run. The United Nations had taken a decisive lead and should continue to guide the process.

49. **Mr. Munzberg** (International Monetary Fund) said that, in order to meet the Millennium Development Goals, it was essential to have sound policies in developing countries, a healthy global economy and adequate support from the developed world. Implementation was key. IMF stood ready to do its part. Even though global growth had reached 5.1 per cent and growth in sub-Saharan Africa had reached 5 per cent in 2004, more growth was needed to make real progress on poverty alleviation. Inflation, meanwhile, remained relatively subdued. The average inflation rate in sub-Saharan Africa was below 10 per cent in 2004, the lowest level in decades.

50. As noted at the most recent International Monetary and Financial Committee (IMFC) meeting, widening imbalances across regions and rising oil prices and oil market volatility had increased risks. There were also substantial gaps in growth between regions. The United States current account deficit had increased significantly in recent years while emerging Asian nations continued to run large surpluses. Vigorous collaborative efforts were required to address global imbalances and restore — and sustain — balanced growth, which was essential to effective poverty reduction. Developing countries needed to develop further their own poverty reduction strategies, carry out well-targeted structural reforms to boost competitiveness and productive investment, find ways to harness the benefits of foreign direct investment (FDI) and private sector activity, strengthen institutions and governance, and establish predictable legal and regulatory frameworks. Developed countries, meanwhile, needed to scale up their aid to low-income countries, as pledged in the Monterrey Consensus.

51. Welcoming the efforts by Member States to find ways to generate innovative sources of finance, he said that IMF would continue to assist poor countries in managing aid flows, strengthening their institutions and human resources, and managing their economic and financial policies. The Fund fully supported efforts to enhance aid effectiveness and reduce transaction costs by simplifying and harmonizing donor procedures and requirements for aid delivery, and encouraged donors to align their support more fully with country-led poverty reduction strategies. IMF would continue to provide financing to low-income countries, including at concessional rates, and was considering a new facility to help them cope with economic shocks. As for countries that did not borrow from IMF, his organization was looking at how it could do more to signal the strength of their policies to others.

52. While the Heavily Indebted Poor Countries (HIPC) Debt Initiative had significantly cut the debt of 27 countries, more could be done. IMF welcomed the

G-8 debt relief proposal and looked forward to early agreement by its members. Debt sustainability analysis and effective debt management would also be essential. Lastly, given the importance of trade for growth and poverty reduction, IMF supported early completion of the Doha Round. To help countries cope with the potential adjustment costs of trade opening, IMF offered financing under its Trade Integration Mechanism (TIM) and had stepped up surveillance of countries with potential trade-related vulnerabilities.

53. **Ms. Ndong-Jatta** (United Nations Educational, Scientific and Cultural Organization) stressed the importance of education in addressing development issues effectively. In particular, more resources needed to be invested in education at the primary, secondary and tertiary levels.

54. **Ms. Phumaphi** (World Health Organization) stressed the importance of looking at cross-cutting issues, strengthening health and education systems and protecting existing investment when addressing development challenges. Human capital needed to be sufficiently developed to drive development initiatives in all sectors. In that context, the goal of achieving universal primary education by 2015 might not be enough. She called for a more concerted and integrated approach.

55. **Mr. Munzberg** (International Monetary Fund), responding to a question from Mr. Nyongo (Kenya) on the best approach to debt relief, said that the recent proposal by the Group of Eight was a step in the right direction. However, since the IMF Executive Board was holding ongoing discussions on that proposal, he was not in a position to anticipate the outcome of the discussions.

56. **Mr. Delano** (Jamaica) asked the representative of IMF to elaborate on the Fund's proposed facility for coping with economic shocks.

57. **Mr. Munzberg** (International Monetary Fund) said that the facility was intended for those countries that did not wish or need to borrow from the Fund but still needed IMF to inform the outside community about their policies. Another proposal was the development of instruments with appropriate terms and conditions for low-income countries. However, both proposals were still under consideration by the IMF Board.

58. **Mr. Méndez-Ruiz** (Observer for Guatemala), said that jobless growth was an issue of crucial importance in Latin America. Half of the population in Guatemala was under 18 years of age and only one in ten had a formal job. The only options for such young people were either to emigrate or to join the illegal economy. Job creation was essential for the sustainability of the global economy and the achievement of the Millennium Development Goals.

59. **Mr. Boisard** (Executive Director, United Nations Institute for Training and Research (UNITAR)) said that UNITAR had been contributing to the implementation of sustainable development goals, particularly regarding poverty reduction, environmental sustainability and global partnership for development. In cooperation with the United Nations Human Settlements Programme (UN-Habitat) and other partners, it had begun broad consultations with governmental officials, local authorities, public and private partners, and civil society to prepare an international instrument that would clarify the roles, rights and responsibilities of all parties with respect to basic services. The outcome of two years of consultations was included in a report entitled "Access to Basic Service for All: Towards an International Declaration on Partnerships". The report had been welcomed and broadly followed by States.

60. UNITAR, in association with the World Bank, the International Finance Corporation and UNCTAD, had addressed the question of financing through a programme aimed at facilitating access to financing for subnational authorities, with particular emphasis on the training of local authorities in Africa, Asia, Latin America and the Central and Eastern European countries with transitional economies. The final objective was to combat poverty and to ensure a decent environment through broad public-private partnerships.

61. **Mr. Stiglitz** (Nobel Laureate in Economics, 2001), responding to a question from Mr. Fedorchenko (Russian Federation), said that, although it was not possible to predict if or when a crisis would occur, the fact that the United States economy was faced with high debt financed by low interest rates posed a significant risk to the global economy. Policies should be put in place, where possible, to change the massive imbalances in the United States caused by its macroeconomic policy. The present situation generated an enormous risk of exchange rate volatility, making it very difficult for developing countries in particular to

manage their economies. The imbalances also made it difficult for the economy to grow fast enough to generate the jobs needed. Since the reforms required would be slow to come into effect, individual countries would have to adjust their domestic policies, for example by shifting away from dollar savings, looking at wealth management and designing economic policies to insulate themselves against volatility. Capital market liberalization policies would also need to be re-examined.

62. **Mr. Sarbib** (World Bank), replying to a question from Mr. Ngasongwa (United Republic of Tanzania) said that the World Bank programme in many countries dealt supply-side constraints on different levels. At the policy level, it was trying to ensure an enabling environment for private investment, particularly national private investment, in order to create goods that could be traded. There was also increasing recognition of the need to have the right kind of infrastructure in place to ensure that goods could gain access to ports. The World Bank had placed renewed emphasis on investing in publicly financed infrastructure, particularly in Africa. It was equally important to ensure that ports and airports were efficiently managed.

63. Replying to a question from Mr. Raubenheimer (South Africa) on how best to reconcile the expected resource flows with governmental commitments to multi-year planning, said that while there was no one simple solution, the recent decision by the European Commission to move official development assistance closer to the 0.7 per cent target would help to provide resources that could be programmed in a more predictable manner. It was encouraging that such issues were being discussed in a systematic way and that a series of specific proposals had been made. They would need political support in order to be transformed into reality.

64. **Mr. Panitchpakdi** (Director-General, World Trade Organization), speaking in connection with the comments by the representatives of UNESCO and WHO, said that WTO supported human resource capacity-building efforts by training trade negotiators, who were essential in helping developing countries to adopt the most effective negotiating positions. In view of the success of those negotiators, he looked forward to the conclusion of the forthcoming Doha Round of trade negotiations. Under the Doha agenda, it was also planned that countries without manufacturing capacities or pharmaceuticals products would be able to access affordable medicine through a permanent amendment to the Agreement on Trade-Related Aspects of Intellectual Property Rights (Trips Agreement). Meanwhile, supply-side constraints could be relieved through investment in countries and pragmatic approaches to trade agreements, for example by making the rules of origin more flexible for certain areas where concessions had been given to developing countries.

65. **Mr. Fortin** (United Nations Conference on Trade and Development) noted that various speakers had emphasized the indivisibility of development, security and human rights during the course of the discussion. The Council could play an important role in exploring the implications of the linkages between those three elements and in translating them into a workable set of arrangements. The Secretary-General's proposed Peacebuilding Commission was perhaps one way forward.

The meeting rose at 1.15 p.m.

United Nations E/2005/SR.11

Economic and Social Council

Provisional

12 July 2005

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Substantive session of 2005
High-level segment

Provisional summary record of the 11th meeting
Held at Headquarters, New York, on Thursday, 30 June 2005, at 10 a.m.

President: Mr. Akram ..... (Pakistan)

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The meeting was called to order at 10.15 a.m.

Keynote address by Ms. Tarja Halonen, President of the Republic of Finland

1. **Ms. Halonen** (Finland) said that the Secretary-General had based his report entitled "In Larger Freedom: towards development, security and human rights for all" (A/59/2005) on a broad concept of security, emphasizing the interrelation between development, security and human rights — an approach that pointed towards the role of the Council in building the future. A lot of progress had been made in attaining the goals and objectives that had emerged from United Nations conferences and summits; there was still, however, much to be done concerning many issues important to development. Demographic threats, infectious diseases and epidemics, for instance, called for a decisive approach.

2. Women constituted a majority in the world, and it was essential not to ignore them as a resource. Much must be done to implement the recommendations of the Beijing Declaration and Programme of Action; the rights of women, prevention of violence against women, and gender equality were vitally important to the promotion of human rights and development. Progress could not be made in eradicating poverty if the status of women was not improved. Mainstreaming gender equality issues continued to be a timely and urgent goal.

3. Moreover, the promotion of development, security and human rights strengthened the potential for more equitable and sustainable globalization; with more efficient management and fairer regulation, globalization could be a means of achieving the Millennium Development Goals. The reform of globalization had been the fundamental notion behind the report of the World Commission on the Social Dimension of Globalization, a concept now accepted worldwide. The United Nations General Assembly had unanimously agreed to adopt that report as a basic document for the upcoming High-level Plenary Meeting in September 2005, and its recommendations had been widely supported. She hoped that the report would help to make globalization fair and create opportunities for all.

4. The implementation of the Goals would help developing countries to join in the process of globalization. In that regard, national responsibility, multilateralism and jointly agreed rules were essential in order to reduce the disadvantages of globalization. The role of corporate social responsibility should also be highlighted. Although international institutions, non-governmental organizations and the private sector all now shared the goal of eradicating poverty and easing economic equality, methods of cooperation still called for improvement — an ongoing challenge for the Council.

5. It was important, as the High-level Dialogue on Financing for Development affirmed, to increase economic investments in development cooperation and boost economic activity in developing countries. The recent decision by industrialized countries to cancel the debts of the poorest and most heavily indebted countries was a significant step that Finland was prepared to support. Sustainability required strong democratic States which, by respecting human rights, good governance and social justice, created the basis for economic productivity. It was essential to examine the impact of globalization on employment and to mobilize political will to resolve the problem of unemployment; it was also necessary to pay attention to cross-border population movements.

6. Economic and trade-policy organizations had been assisting developing countries, in particular the least developed ones, in developing economic activities and economic exchanges, not only in the areas of agriculture and textiles, but in other sectors as well. Sustainable development, including environmental issues, should be integrated into development programmes, bearing in mind that poverty eradication required clean water, good food, decent homes and decent work. The United Nations must play a strong role in managing global environmental issues, and should take steps to establish a United Nations environment agency.

7. The reform of the Council was an important part of the reform of the United Nations system as a whole. In that regard, the reform of the Security Council, which had attracted so much media attention, must not overshadow other important areas. In order to regain its authority, the Economic and Social Council must boldly address such issues as national crises and poverty, and play a role in the implementation of a broad programme of security and development. Closer cooperation was needed with the Bretton Woods institutions and the World Trade Organization (WTO), as well as with civil society and the private sector; the

Council must also enhance its guidance of the work of the United Nations specialized agencies with a view to optimizing resources.

8. She welcomed the proposal of the Secretary-General on the creation of a Peacebuilding Commission, as did the European Union. The work of supporting the transition towards peace and social construction would require the guidance of both the Security Council and the Economic and Social Council. It was, she believed, highly important for the European Union and other regional organizations actively to participate in globalization, by defending its achievements and correcting its shortcomings. The meeting of the European Council held in the current month confirmed the importance for Europeans of the 2005 summit meeting; that body strongly supported a multilateral system and the reform of the United Nations. It had set clear goals for an increase in its official development assistance, and hoped that other developed countries would soon take up the challenge.

9. When Finland took up the Presidency of the European Union in the coming year, the United Nations and the Millennium Development Goals would take high priority. One of its first tasks would be coordinating the cooperation between member States of the European Union and the Council. With respect to reforming the Council, she said that Finland had held the Presidency of the Council and therefore was experienced in its workings. She would convey the results of the discussions held at the current meeting to her European colleagues.

10. Finally, she urged the Council to make the summit meeting a positive and effective development experience, with a view to translating goals into reality and creating a safer and fairer world for all.

Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities
(E/2005/56, E/2005/51 (chap. I), E/2005/33 (suppl. 13), E/2005/NGO/1-28 and E/2005/CRP.4)

11. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General, entitled "Towards achieving internationally agreed development goals, including those contained in the Millennium Declaration" (E/2005/56), said that the Millennium Development Goals had helped to generate momentum in the international policy dialogue. Progress had been made in reducing poverty in East and South Asia, in introducing gender equality into education in all developing country regions and in reducing child mortality in Northern Africa. Since, however, overall progress had been uneven, a more ambitious strategy should be pursued. Absolute poverty was growing in Sub-Saharan Africa as well as in other regions. There was a lack of clean water and sanitation, which bred disease, and HIV/AIDS was reversing development progress, especially in Africa. Moreover, climate change was endangering the ecosystem of the planet.

12. The United Nations development agenda addressed broad questions not fully covered by the Goals, but which were essential to their attainment: achieving fair and equitable globalization, confronting inequality, improving global economic governance, enhancing employment and human resource development and bringing about technological advancement. It also took into account the connections among the social, economic and environmental objectives of development. As a result of the major United Nations conferences and summits of recent years, a truly global policy consensus had emerged on major aspects of life, which gave cause for celebration.

13. Although the Council had made some progress in cultivating a focused system-wide dialogue, it had not fully met the high expectations that had been set for it. The monitoring and evaluation of the progress of the development agenda was still fragmentary, chiefly owing to the decentralized structure of the United Nations: that should not, however, constitute an insurmountable obstacle. In pursuing negotiations on a ministerial declaration, the Council should strengthen its capacity to deliver in four ways: first, by creating a comprehensive process for observing the progress of the United Nations development agenda and by holding annual ministerial-level assessments of progress on development objectives, including, for example, peer reviews of progress reports prepared by Member States, with the assistance of United Nations agencies and regional commissions; and, secondly, by serving as a high-level forum for development cooperation, which would meet on a biennial basis to review trends in international development cooperation, to promote greater coherence among development activities, and to strengthen the links between the operational and the

normative and analytical work of the United Nations system, with more active engagement by the specialized agencies, including the participation of their executive heads in the high-level dialogues of the Council, and the regular meeting of the heads of intergovernmental bodies of specialized agencies under the leadership of the Council President.

14. Thirdly, the Council should hold timely meetings to assess and seek to prevent threats to development. Fourthly, it should monitor the economic and social dimensions of conflict. The Council had made important progress, in particular by creating ad hoc advisory groups for countries emerging from conflict. It should work closely with the proposed Peacebuilding Commission (which should serve as a forum for confronting the challenges of long-term recovery, reconstruction and reconciliation) and reinforce its links with the Security Council.

15. Finally, it was his hope that in 2005 the Council would become the primary forum for pushing the global United Nations development agenda, in cooperation with and to the benefit of all major stakeholders. In that process, the Council relied on the leadership of the President and the Bureau.

16. **Mr. Franklyn** (Jamaica), speaking on behalf of the Group of 77 and China, said that all members of the Council were aware that the achievements of the United Nations development agenda had been well below expectations, and that its implementation had been slow and uneven, increasing the disparities between developing and developed countries, especially in Africa. The main challenge facing the international community was mustering the means and will to implement the development agenda. He proposed that commitments should be made to four basic principles: first, that broad-based development should be a major priority of the international community and the foundation of a renewed global partnership; secondly, that substantial resources should be mobilized to ensure that official development assistance targets were met by 2015, with emphasis on the flow of resources and the provision of debt relief, the improvement of delivery mechanisms, a reduction in transaction costs, the untying of financial and technical assistance, the simplification of procedures and the removal of political impediments to the delivery of assistance.

17. Thirdly, in order for developing countries to benefit from the global economy, a coordinated effort should be made to eliminate systemic inequities, in particular by establishing fair and equitable rules for market access, technology transfers and the mobilization of investment flows. Fourthly, the decision-making process should be inclusive, allowing developing countries to play a meaningful role in designing strategies based on their own needs and circumstances.

18. The Group of 77 and China believed that the goals set were achievable, and that 2005 offered opportunities for renewed efforts to advance the development agenda. The Second South Summit in Doha had emphasized strengthening South-South cooperation and promoting a stronger global partnership with the North. The European Union had decided to double its ODA by 2010 and to reach the 0.7 target by 2015, setting the stage for more significant steps later in the year. The G-8 Summit to be held in July 2005 in Gleneagles would be an opportunity to confirm the provision of already committed resources and to realign global policies. It would also allow the G-8 countries to broaden their debt cancellation initiative by: completely cancelling debts in countries where not to do so would undermine the attainment of the Millennium Development Goals; setting up an arbitration procedure for addressing the matter of unsustainable debt burdens; and making a commitment to submit plans to the 2005 summit meeting showing how they would achieve their targets.

19. Furthermore, the 2005 summit would offer world leaders the chance to define practical measures for resolving development needs and strengthening the United Nations system for that purpose, and the Sixth WTO Ministerial Conference, to be held in Hong Kong in late 2005, would allow for the creation of a fair and just trade system providing special treatment for developing countries and transparent international mechanisms to support commodity prices and to compensate developing countries for price fluctuations. In order for 2005 to be remembered as the year of development, momentum must be maintained and real progress made.

20. **Mr. Schiltz** (Luxembourg), speaking on behalf of the European Union, the acceding countries Bulgaria and Romania, the candidate countries Croatia and Turkey, the stabilization and association process countries Albania, Bosnia and Herzegovina, Serbia and

Montenegro and the former Yugoslav Republic of Macedonia, as well as Ukraine and the Republic of Moldova, said that there were some positive aspects in the implementation of the Millennium Development Goals, but for the most part progress was too slow and unequal, and Africa in particular was not on schedule to achieve the Goals by 2015. Increased efforts were therefore needed to meet the challenges in the health and education sectors, job creation, the environment and climate change.

21. The European Union reaffirmed the importance of each of the Goals and their realization in every country, including the least developed countries, landlocked countries and small island developing States. It fully endorsed the Secretary-General's statement that there could be no development without security and no security without development. Democracy, good governance and respect for human rights were the framework within which the Goals should be achieved at the national level.

22. The Economic and Social Council should play a central role in the follow-up to the major conferences and should guide the United Nations system in its implementation of the Goals. Its coordination role should also be strengthened, particularly between operational and humanitarian agencies. He underlined the importance of continuing the reform of the funds, programmes and specialized agencies in order to ensure overall coherence of the system, and supported the Secretary-General's call for a more integrated structure for international environmental governance. The Council could become a high-level forum for development cooperation where global strategies and policies could be discussed.

23. Every country was responsible for its own development through comprehensive national poverty reduction strategies. However, partnerships such as the Monterrey Consensus were essential, as were the development of the private sector, microcredit and a successful development round of trade negotiations.

24. The European Union was currently responsible for 55 per cent of official development assistance in the world. It was in the process of meeting and exceeding the commitments made in Barcelona in 2002: it would meet the interim target of 0.56 per cent of GDP for official development assistance by 2010, and was on track to meet the 0.7 per cent target by 2015.

25. Trade was also an engine of development, and improved market access for the exports of the least developed countries and countries with economies in transition would help to increase their competitiveness and diversify their exports. The development of Africa was a priority for the European Union, as demonstrated by the decision to allocate half of its increased development assistance to that continent.

26. The HIV/AIDS crisis called for an integrated approach, covering prevention, treatment, care, support and research, with special attention paid to women. The European Union reaffirmed its commitment to the goals of the Cairo Programme of Action, stressing that access to reproductive health care was essential to the achievement of the Goals.

27. The European Union was ready to do its part in the area of development, and, in the spirit of the Monterrey Consensus, expected its partners to do likewise. The September 2005 summit would provide a decisive opportunity to intensify efforts towards the achievement of the Millennium Development Goals.

28. **Ms. Indrawati** (Indonesia) said that the Millennium Development Goals were simple but powerful objectives that had galvanized efforts to meet the needs of the poor, becoming globally accepted benchmarks that had been agreed to by developing countries, donors, international organizations and civil society. However, they were only a mid-station to ending absolute poverty, and there would be a need for continued development cooperation beyond 2015.

29. Despite the lingering burden of past financial crises, the Indonesian economy was considered to be on track. Its national policy objectives accommodated the full implementation of the Goals and had set ambitious poverty reduction targets to be achieved in the next five years. However, pockets of poverty and vulnerability to natural disasters were among its remaining challenges. Her Government was making every effort to achieve targets relating to the social safety net by improving the fiscal environment, but the need to maintain macroeconomic stability had created tight constraints on Government spending and available resources. Therefore, international support and cooperation, as embodied in Goal 8, remained indispensable.

30. The recent move to cancel all the debt of some countries under the Heavily Indebted Poor Countries (HIPC) initiative was commendable, but it should not

stop there. Efforts to resolve the debt problems of middle-income developing countries through debt restructuring would be welcome. Indonesia supported debt swaps for sustainable development, which provided low- and middle-income countries with more incentive and resources to achieve the Goals. Trade and investment should continue to be recognized as avenues for meeting the Goals, as growth and employment were a necessary condition for poverty eradication. She emphasized the importance of cooperation between domestic efforts to mobilize more resources and spend them wisely and effectively with adequate, timely and appropriate international support.

31. Indonesia was of the view that South-South cooperation had an important role to play and must therefore have a prominent place in the outcome document of the September summit. Many decisions affecting the world economy were still taken outside the multilateral framework of the United Nations system, often without considering the interests of developing countries. Hence, effective participation of developing countries in the global decision-making process should be enhanced. Greater coordination between the United Nations and other international organizations would certainly contribute to greater policy coherence, particularly in developing an open, rule-based, predictable and non-discriminatory trading and financial system. The most important result of better coordination and coherence would be equal partnership for developing countries.

32. **Mr. Correa** (Ecuador) said that one of the main hindrances to the implementation of the Millennium Development Goals, for the middle-income as well as the least developed countries, was external debt. Debt could not really be reduced to a technical problem, with sustainability as the criterion for setting debt servicing levels. Many countries could pay their external debt, but at the cost of depriving their population of needed services. Debt sustainability should be viewed from a political, social and technical perspective, but also from an ethical one. The United Nations Development Programme (UNDP) should take the lead in defining what level of debt countries could pay while still being able to meet targets for the Goals. Some form of international "bankruptcy court" should also be established so that developing countries could negotiate the terms of debt repayment with an impartial third party, rather than with their creditors directly. That would prevent the sacrifice of lives, development and future prosperity to the service of external debt.

33. Financing was another related issue that was a serious problem for middle-income countries. Ecuador, for example, could pay all it owed, but at its own pace. The current situation was absurd, as it resulted in a net transfer of resources from countries with high rates of poverty. The countries of Latin America, for instance, had hundreds of millions of dollars invested in the "first world", but had inadequate mechanisms and institutions to pool their resources to meet their own financing needs. As a priority, an international mechanism should be created to allow countries to use their own resources for their own benefit.

34. The Kyoto Protocol provided compensation to countries which restored environmental resources, but none to those which maintained their environmental capital. The countries of the Amazon basin maintained an essential global resource but received no compensation; that issue should be considered from an ethical perspective. Under the Kyoto Protocol, environmental resources should be given a monetary value, and the developed countries that consumed them should offer some compensation to the developing countries, through debt cancellation, for example. That was not a matter of compassion or charity to debtor countries, but of justice.

35. **Ms. Girardin** (France) said that progress towards the Millennium Development Goals had been uneven, and therefore the international community must increase its focus on implementation. As affirmed at the Monterrey Conference, the primary responsibility for development lay with countries themselves, and developing countries must increase their cooperation and solidarity. She paid particular tribute to the African countries that had undertaken ambitious reforms in governance and the rule of law through the African Union and the New Partnership for Africa's Development (NEPAD).

36. The developed countries had also risen to the challenges. France intended to be an active partner, and had set up a schedule for achieving the 0.7 per cent target for development assistance by 2012. In September it would launch a pilot project for raising contributions through a portion of the sale of airline tickets.

37. France, along with a growing number of countries, shared the view of the Secretary-General

that a more integrated international structure for the environment was needed, based on existing institutions and the United Nations Environment Programme (UNEP).

38. The current session of the Council provided an opportunity to evaluate commitment, but the momentum generated must be maintained. France supported the emphasis on renewing its role in coordinating the economic and social sectors of the United Nations, and also in ensuring implementation of the Millennium Development Goals. A renewed Council, fully exercising its mandate under the Charter of the United Nations, would be a useful instrument in achieving sustainable development.

39. **Mr. Ould Meimou** (Islamic Republic of Mauritania) said that the President of the Republic had made the fight against poverty the priority of national public policies. In 2000, a law had been enacted to eradicate poverty, strengthen capacities and promote good governance. Implementation of a strategic framework for poverty reduction had led to improvement in several social indicators and there had been a significant rise in the standard of living, particularly thanks to the generalization of such basic services as health, water and education. His Government had undertaken broad ownership of the Millennium Development Goals through a national programme of good governance drawn up and implemented in 2004 under a participative and iterative process involving all development stakeholders. Several activities had been also carried out in partnership with the United Nations Development Programme (UNDP) and United Nations agencies in order to strengthen the ownership of the Goals by the development stakeholders and beneficiaries. A 2005 report on implementation of the Goals showed that of the 11 targets, six could be achieved by 2015, including targets on education, access to water, poverty and hunger reduction and elimination of the gender gap. The other five targets, including health and environment, could be attained only if the current trends were reversed.

40. Resources for the achievement of the Goals were beyond the capacity of States, and specific solutions were needed for the least developed countries. In that context, the Brussels Plan of Action should be implemented, and the allocation of sufficient resources for the achievement of the Millennium Development Goals remained a priority. The main constraints facing policies aimed at poverty reduction and the achievement of the Goals were related to growth, absorptive capacity, the productive base of the economy and terrorism. While considerable progress had been made towards achieving the Goals since the first phase in the implementation of the strategic framework for poverty reduction, the remaining shortcomings, particularly relating to the strengthening of civil society, should be redressed within the framework of the forthcoming programming cycle.

41. **Mr. De Decker** (Belgium) said that the Millennium Development Goals had changed the very nature of development aid. Their universal and cross-cutting character encouraged integrated development aid within a framework of North-South solidarity aimed at strengthening global stability and security. His country favoured an international order based on effective multilateralism capable of ensuring equal access to basic goods and services, real equality of opportunities and the same respect for all human beings. The global governance called for by the United Nations required the strengthening of multilateral practices and institutions and, in particular, a common desire and capacity to implement the rules and decisions adopted by multilateral institutions. While many debates and international gatherings had focused on globalization, their global legitimacy was still in question. It was therefore important to restore to the United Nations its capacity to act as the universal arbitrator, beginning with development and poverty reduction. The United Nations conferences of the 1990s and the Millennium Summit of the United Nations had already given the Organization a head start in that respect.

42. Heads of States and Governments had agreed in the Millennium Declaration to strengthen the Economic and Social Council. The report of eminent persons in preparation for the 2005 summit was sadly right to state that the United Nations had long since lost its decision-making powers in the area of economic and social cooperation. The report had also highlighted that poverty and economic and social inequalities were the main threats to global stability and security.

43. The timely achievement of the Millennium Development Goals was thus the main challenge facing the international community. While his Government would welcome the establishment of a Peacebuilding Commission, the challenge of development went well

beyond national conflict resolution and would require ongoing monitoring of economic and social development at the international level. In that context, Belgium and Germany had proposed a pragmatic reform of the Council in 2004 under an initiative aimed at making the Council an efficient multilateral instrument in step with the new challenges posed by globalization.

44. Problems connected with global development and humanitarian aid were complex, requiring rapid and effective action. It was therefore outmoded for a body as important as the Council to meet only once a year, and the Council needed to establish a small but permanent management committee. It was unjustifiable that the Council continued to give priority to very broad topics but was unable to focus its efforts on specific and critical needs as and when they arose. Since peace, security and economic, social and environmental development were all interlinked, the Council should coordinate its activities with the Security Council systematically and further strengthen its relations with the Bretton Woods institutions and the World Trade Organization (WTO). The Council should also establish a permanent body to follow up implementation of the Millennium Development Goals. Such a body could work in full cooperation with the Security Council and the future Peacebuilding Commission.

45. **Mr. Billson** (Australia) said that the Millennium Development Goals were useful key performance indicators helping to track progress and that official development assistance should be used to invest in future capacity for sustainable improvements in living standards. His Government was committed to helping developing countries in their efforts to achieve the Millennium Development Goals and to assisting its development partners to deliver services and provide opportunities to their peoples. Progress towards the Goals depended on continued improvements in governance and stability, investments in people and a commitment to private sector growth. Further global trade liberalization and openness to trade and investment by both developed and developing countries would be a key to sustainable global and national growth and development. His Government would also welcome a successful and ambitious conclusion of the Doha Round of trade negotiations.

46. HIV/AIDS was a global crisis whose impact was immediate and devastating. Almost a quarter of the people with HIV/AIDS (some 8.2 million) lived in the Asia-Pacific region. In 2004, new infections in Asia totalled 1.1 million. If the region was unsuccessful in combating the disease, 40 per cent of all new global infections would be in the Asia-Pacific region by 2010 and the region could easily become the new epicentre of the epidemic. The epidemic had spread at an alarming rate among women and girls in the region, and prevailing gender norms increased the likelihood that women and girls would be ostracized and rejected by their families once they became infected. His country was therefore working with partner countries in the region on programmes to promote women's and girls' access to education, on HIV/AIDS prevention and treatment services and on programmes to redress violence against women.

47. Fragile States faced enormous and urgent challenges in reducing poverty and achieving sustainable development. The Australian Government was working with fragile States in its region to address the development, security and political challenges they faced. Through a new Fragile States Initiative, his Government would work with the World Bank, the United Nations, the Development Assistance Committee and other donors to develop innovative, integrated and pragmatic approaches to address those challenges.

48. While there had been significant progress, the Asia-Pacific region was still home to two-thirds of the world's poor. His Government was working with partners in the region to address their development challenges and to ensure that the issue received the international attention that it deserved. While the region was home to 40 per cent of the total number of people who lived in least developed countries, those countries received only 20 per cent of the official development assistance given to that category of country.

Panel on employment for growth

49. *Mr. Correa (Ecuador), Vice-President, took the Chair.*

50. **Mr. Suruma** (Uganda), Moderator, said that employment was a key issue for all countries, regardless of their state of economic development. The pivotal role of employment in economic and social development, particularly in poverty eradication, had been acknowledged by the international community.

However, most countries still faced the serious challenge of providing productive work for their citizens, especially the poor and marginalized. The vision of the Copenhagen Declaration on Social Development, whereby policymakers would place employment at the centre of economic and social development, had not been realized. Given the acceleration of globalization, it was more important than ever to reaffirm the commitment to the task of ensuring productive work for everyone. The draft outcome document for the 2005 summit, which underscored the important goal of productive and decent work as a central objective of macroeconomic policies and poverty reduction strategies, was a step in the right direction.

51. **Ms. Quintin** (European Commission) said that the fight against poverty relied crucially on the creation of more and better jobs. Employment was recognized as a key element in the promotion of an inclusive society, peace and democracy. Europe was feeling the effects of three major changes: globalization of trade, demographic ageing and technological change. The "Lisbon strategy" was Europe's road map to meet those challenges. It had recently been refocused on three strategic areas: investing in knowledge and innovation; making Europe a more attractive place to work and invest; and creating more and better jobs. However, the success of that strategy would depend on Europe's ability to use its social model effectively. There was a good deal of consensus across Europe that the social model should be based on good economic performance, a high level of social protection, employment, education, equal opportunities and social dialogue. In addition to presenting many opportunities, globalization posed a number of challenges to the most vulnerable countries and sectors of society, and any adverse impact needed to be offset. There also needed to be a balance in policy priorities across the board, in order to achieve sustainable growth, promote more and better jobs, overcome unemployment and develop social cohesion. Governance must be reinforced at all levels: the establishment of democratic, reliable and transparent institutions was essential for economic and social development. Work should also continue towards a global consensus on employment promotion, and employment should be better integrated in the Millennium Development Goals.

52. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) recalled that the Copenhagen Declaration adopted at the 1995 World Summit for Social Development had affirmed that productive work and employment were central themes of development, and had also recognized a mutually enforcing relationship between economic growth, sustainable development and the expansion of productive employment. Moreover, in its declaration on the tenth anniversary of the Summit, the Commission for Social Development had reaffirmed that an employment strategy should be a fundamental component of any development strategy and that macroeconomic policies should support employment creation.

53. Employment was both an end and a basic instrument of development policy, serving as a source of self-realization and of a sense of dignity. Furthermore, an adequate distribution of labour income was essential for an equitable society. Sadly, however, the years since 1995 had revealed a lack of political momentum for achieving the vision of the Copenhagen summit, and the expectation that policymakers would be guided by that vision had not been fulfilled. Indeed, there had been a growing acceptance that employment should play a narrower role in economic and social development. That was a dangerous situation, since the world faced an even more formidable employment challenge than in the past decade.

54. Since the 1995 summit meeting, unemployment levels had been rising. Nearly half of the world's workers and their families lived on less than $2 per day, and many had no other recourse than to work in the informal economy. In order to tackle the employment challenge, countries must truly make employment a central objective, not only of social policies, but also, in particular, of macroeconomic policies. Employment could no longer be pursued merely as a hoped-for outcome of policies that might or might not address employment directly.

55. The centrality of employment to economic and social development was not fully articulated in the Millennium Declaration, but the Declaration did alert Member States and the United Nations system to the issue of youth unemployment and the challenge of developing and implementing strategies for creating decent and productive work for young people everywhere. The response to the youth employment initiative had added valuable impetus to the growing

international discussion on the role of employment and its relationship to economic and social policies.

56. The Secretary-General's High-Level Panel, which advised him on the Youth Employment Network, had aptly identified four priorities for employment promotion: employability, equal opportunities for young men and young women, entrepreneurship and employment creation. Those four principles could be applied equally to the challenge of creating productive employment for everyone, not just young people.

57. At the macroeconomic policy level, there was broad agreement on the need to focus on the effects of economic growth on employment generation and increased productivity, which meant that employment generation should become a major concern of macroeconomic authorities, including independent central banks. There was also agreement on the importance of implementing appropriate active labour-market policies. At the same time, few disputed the critical need to ensure sufficient investment in education and training.

58. The design of appropriate macroeconomic policy frameworks for employment creation should be a priority for most countries, and success or failure in that regard determined the course of future economic and social progress. However, success would not be easy to achieve. The causal relationship between policy changes and employment outcomes was often complex and hard to predict. Moreover, the instruments of macroeconomic policy that were ultimately selected would necessarily involve tradeoffs with other, competing objectives.

59. Since macroeconomic policies aimed at promoting growth and employment functioned most effectively within a supportive institutional environment, the macroeconomic policy framework must be supported by appropriate institutional policies. It should also be recognized, however, that countries appeared to enjoy less and less "autonomy" in their pursuit of macroeconomic policies. As globalization intensified, a country's conduct of macroeconomic policies would become increasingly sensitive to international conditions and influences. Coordinated and coherent macroeconomic policies would be required at the regional and international levels in order to compensate for the shrinking policy space available to developing countries in their pursuit of development objectives.

60. Although he had emphasized the macroeconomic imperatives for generating and sustaining economic growth, promoting structural changes, increasing labour demand and shifting labour to higher productivity sectors, he wished to note that the questions of employability, discrimination and entrepreneurship must also be addressed. It was essential to remove impediments such as lack of education, training and skills; social exclusion; and lack of access to finance, which continued to hamper the ability of millions of able men and women around the world to participate actively and productively in the marketplace.

61. **Ms. Stewart** (International Labour Organization) said that although the rate of employment growth was a component of output growth, few would disagree that growth was also necessary — indeed, fundamental — to employment creation. However, it appeared that growth alone was not sufficient to ensure job creation or poverty reduction. One might ask oneself why over half the global workforce of 2.8 billion did not make enough money to lift themselves and their families out of poverty, and why the formal sector was increasingly unable to absorb new workers into productive jobs. In developing countries, most new entrants into the labour market were absorbed, not into formal work, but into the informal economy — thus, they were not unemployed, but underemployed.

62. The question of making employment-intensive growth a central objective of macroeconomic and social policies could mean many things. However, for companies operating in competitive markets — especially global markets — it must not mean sacrificing productivity in favour of employment gains. However, it could mean identifying and supporting sectors with high labour absorption. The international community could help by improving policy coherence across the system. If the objective was growth for poor countries, trade policies could not be contradictory. If there were no healthy private sector for creating jobs, then there would be no tax revenues for spending on the poor.

63. The multilateral system was beginning to respond to the question of giving macroeconomic policies more space to buffer the shocks of globalization. The Group of Eight had called for debt cancellation, as had the Secretary-General. There were also many other innovative initiatives, such as commitments to increase official development assistance (ODA) and improving

its quality and predictability. Reforms to the global reserve system could also help create additional policy space.

64. With regard to the question of how to make employment growth "pro-poor", she said that although the largest percentage reduction in poverty occurred when countries were able to increase both productivity and employment in agriculture, the agriculture sector had suffered from policy neglect for many years. If the international community was to achieve its poverty-reduction goals by 2015, it must look to agriculture, forestry and fisheries, and develop directly related value-adding industries. The aim of the International Labour Organization was to make decent work a global goal. Achieving all the Millennium Development Goals required far greater policy coherence than in the past.

65. **Mr. Blake** (Jamaica) said it was no accident that economic growth had been accompanied by a decline in employment. Instead, it had been the result of active policies. Over the past 20 years, those policies had sought to reduce employment, rewarding countries that had shrunk civil service employment, and companies that had cut jobs. The policies and attitudes of the past 20 years must be reversed, and employment creation should be placed at the centre of macroeconomic policy. Moreover, trade policy must also be reconsidered in order to ensure that rural production was paid appropriately. The nature of the education system must also be changed with a view to providing training for real employment in rural areas, as well as in urban areas.

66. **Ms. Barreto López** (Observer for the Bolivarian Republic of Venezuela) said that the only way to resolve the problems of poverty in Latin American countries and in the poor countries of the South was through socialism. The capitalist economic model was not effective at resolving poverty. Her country, for example, used a cooperative model, in which employer and employee were effectively the same person, and access to quality jobs was provided under conditions of equality. As part of its socio-economic transition, her Government helped the poor to enter the labour market through training, technical preparation and access to microcredit. The Council should look at alternatives to the traditional economic models: Venezuela, for example, showed how poor countries could create jobs and improve working conditions.

67. **Mr. Cano** (Nicaragua) welcomed the central focus placed, during the discussion, on growth and unemployment. For the countries of Central America, the most serious issues were underemployment and the fact that people were employed in the informal sector. Their only advantage was low-cost production, and he wondered whether there were alternatives to the "race to the bottom" produced by that situation.

68. **Mr. Ntwagae** (Observer for Botswana) noted that speakers had not addressed the issue of the disabled, and wondered how they might be better incorporated into the labour market.

69. **Ms. Stewart** (International Labour Organization) said that many disabled persons were more able than people imagined, and attitudes towards them must change. The International Labour Organization worked at the policy level to help Governments and employers to engage the disabled in the mainstream, and its experience had shown that the challenges were not as great as expected. It made more sense for policymakers to consider the needs of all citizens from the outset rather than look for solutions after the fact.

70. **Ms. Quintin** (European Commission) said that the question of whether policies had deliberately sought to reduce employment was a complex one. Some economic sectors had experienced, and would continue to experience, a reduction in employment — especially in the context of transforming rural sectors into industrial sectors. It was important to develop policies that could help workers be more adaptable. Better targeted education was important, as was determining how employers could help restructure education so that growth was conducive to employment, rather than unemployment. It was very important to improve the interaction between education, training and employment prospects in order to improve preparation for entrepreneurship at all levels.

71. With respect to the question of cheap labour, she said that it was important to foster the right skills to ensure more productive work, as well as strategies that were not based solely on low-cost labour. Jobs for disabled persons should also be promoted. That would require a global change of attitude, as well as the implementation of projects to support their integration.

72. **Ms. Lubin** (International Federation of Settlements and Neighbourhood Centres) said she had been very surprised that speakers had not discussed the

extent to which improving the housing situation of the poor might lead to a considerable increase in production and employment and a reduction in poverty.

73. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said it was true that the employment elasticity of economic growth — the link between the rate of economic growth and the rate of employment creation — had been declining worldwide, and that macroeconomic policies had failed to take into account that employment was one of their central objectives. Macroeconomic policies typically held that unemployment was caused by a lack of labour market flexibility. However, flexibility was one part of the broader concept of adaptability, which must be improved. In developing countries in particular, the key question was not unemployment but the quality of employment, which was very low.

74. **Mr. Suruma** (Uganda), Moderator, said that he had been encouraged to hear speakers place employment at the heart of macroeconomic policies, as he had often been aware of the negative effect that emphasis on price stability could have on employment.

The meeting rose at 1.05 p.m.

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Economic and Social Council

Provisional

25 July 2005

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Substantive session of 2005
High-level segment

Provisional summary record of the 12th meeting
Held at Headquarters, New York, on Thursday, 30 June 2005, at 3 p.m.

President: Mr. Akram ..... (Pakistan)
later: Mr. Hachani (Vice-President) ..... (Tunisia)

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The meeting was called to order at 3.10 p.m.

Keynote address by Mr. Gérard Latortue, Prime Minister of Haiti

1. **Mr. Latortue** (Prime Minister of Haiti) said that although the bar was very high, the fight against poverty and hunger deserved mobilization on a global scale. His Government, with the assistance of the United Nations Development Programme (UNDP), had established a unique programme aimed at raising awareness of the Millennium Development Goals (MDGs) across the country. However, five years after the Millennium Summit, progress on meeting targets was insufficient on a global scale. Even if the prospects for some indicators in some regions were positive, huge discrepancies continued to exist between developed and developing countries.

2. Haiti, for its part, had seen some encouraging developments in the areas of gender equality, including a Government programme to promote women's rights, women's education and jobs for women in rural areas, combating HIV/AIDS and strengthening global partnerships. Since March 2005, his Government had established cooperation with the international community based on the Government's sectoral and global priorities. To facilitate coordination among donors, a special coordination structure had been established and met once a month to assess whether funds were being used in line with those priorities. As the representative of one of the poorest nations on the planet, he felt that it was essential for him to make some practical recommendations. For if it were true that there could be no development without security, it was equally true that security without development was wishful thinking. Given that poverty posed a permanent threat to peace and security, the Economic and Social Council should be as important as the Security Council within the United Nations system, since without development, peace and security would be only temporary.

3. Turning to his ten recommendations, which he hoped would provide a basis for discussion during the current session and act as pointers during the high-level summit in September 2005, he said that the Council should establish a more equitable international economic system that prioritized the creation of productive employment, particularly in rural areas; help set up basic infrastructures for development, such as access to energy and roads linking centres of agricultural production and commercial centres; promote technical standards and establish professional schools to produce skilled technicians; promote the creation of small and medium-sized industrial enterprises, particularly those involved in processing agricultural produce, and encourage exports of such processed products; mobilize donors to finance country-owned projects; and coordinate international financing to avoid overlap, duplication and waste, making coordination the primary mandate of a renewed and strengthened Council.

4. In addition, the Council should continue to seek new sources of financing, as many new programmes in developing countries failed to attract funding because they were not in line with donor priorities; promote an open, universal, regulated, predictable and non-discriminatory trade system that gave priority to development and greater market access for developing countries; find a definitive solution to debt, particularly that of the least developed countries (LDCs) and small island States, which, despite suffering from potentially devastating natural phenomena and fragile economies, seemed to be ignored by the international community; and, lastly, recognize the integrated nature of development policies and the need for sustainability in development projects. In that regard, the Council needed to review the mandates of the various United Nations agencies in order to reduce or eliminate useless competition between them in the allocation of development projects.

5. Expressing the concern of Haiti and many other developing countries regarding the ongoing marginalization of LDCs in the global economy and the continued deterioration of their economic and social situations, despite the many international conferences held and agreements reached, he called on the international community to implement the Programme of Action for the Least Developed Countries for the Decade 2001-2010. Also expressing concern about the particular vulnerability of small island developing States, he called on world leaders to implement the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States and the Barbados Programme of Action for the Sustainable Development of Small Island Developing States. Lastly, it was his sincere hope that the Council

would become one of the most dynamic United Nations bodies in the field of development.

Ministerial review of the progress of the implementation of the 2003 Ministerial Declaration of the Economic and Social Council

6. **The President** recalled that, during the 2003 high-level segment, Ministers had debated the issue of an integrated approach to rural development and adopted the 2003 Ministerial Declaration of the Council, a far-reaching and visionary document based on the recognition that the majority of the world's poor lived and worked in rural areas. Ministers had agreed on the importance of rural development for achieving the internationally agreed development goals, including the MDGs, and reached consensus on a broad set of measures aimed at attaining rural development objectives. In line with the Council's commitment to review progress or lack thereof in the implementation of the Declaration at the current substantive session, and in the absence of a formal report, the Council had invited a number of speakers to share examples of progress on promoting an integrated approach to rural development.

7. **Mr. Civili** (Assistant Secretary-General, Department of Economic and Social Affairs) said that the Council's review of the Ministerial Declaration should focus on assessing progress in relation to basic policies and the Declaration's central message concerning the need to bring rural development back to the forefront. Rural development must be a central component of strategies to meet the MDGs. The Declaration's emphasis on the need for an integrated approach to rural development had raised questions of inter-agency cooperation. In line with that collaborative approach, there was now close and active cooperation between the Secretariat, United Nations agencies and financial institutions. A considerable effort had also been made to engage the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP), the Rome-based agencies, in the system.

8. As to how new initiatives could be linked to the Declaration, a number of new poverty-reduction alliances had been established, such as the United Nations Public-Private Alliance for Rural Development (2003), which had galvanized the efforts of the United Nations system as a whole and civil society, acted as a catalyst for establishing partnerships and brought results to the attention of the international community through the Council. The current review was evidence of the Council's continued focus on monitoring implementation and would help the Council to consolidate its experience while yielding valuable insights into the way in which it monitored implementation in the future.

9. **Mr. Båge** (President, International Fund for Agricultural Development) said that significant progress had been made on many general issues, such as official development assistance (ODA), debt relief and international funding for agriculture, and, even though there had been less progress on trade-related issues, the pressure on the current Doha round of the World Trade Organization negotiations provided some hope in that area too. However, much less progress had been made concerning funding levels and the attention given to rural development both by Governments and in Poverty Reduction Strategy Papers (PRSPs).

10. While welcoming the fact that African heads of State and Government had recently reinforced their commitment to allocate at least 10 per cent of their budgetary resources to agriculture and rural development, he said that agricultural ODA remained very low. That was worrying not only because 74 per cent of people living on less than $1 a day resided in rural areas and depended on agriculture, but also because agriculture accounted for 30 per cent of gross national product (GDP), 40 per cent of exports and 70 per cent of employment in sub-Saharan Africa and 27 per cent of GDP and 60 per cent of employment in South Asia. Agriculture was clearly crucial to poverty reduction and economic growth, yet the level of funding pledged in the Declaration had not materialized. Countries and regions enjoying long-term investment in agriculture had seen economic growth rise, and there was a clear link between greater investment and greater results. However, in many instances, agricultural ODA had actually fallen in recent years.

11. Stressing that such a situation should provide clear impetus for action, he said that one area of concern was infrastructure, for transportation costs, whether relating to agricultural produce, irrigation or fertilizer, varied dramatically from one country to another and were often much higher in developing countries. There was a clear link between input and output and the effects on poverty eradication, human

dignity and so forth. While attention to rural development and agriculture had grown over the past two years, more funding was needed if the MDGs were going to be met for all people in all regions. Drawing attention to the issues paper which had been circulated, and which set out in greater detail the progress made by the three Rome-based agencies, he said that, in his experience, while there seemed to be widespread concern that more needed to be done, for many countries rural development was simply not a priority and therefore received little attention. However, nothing could be more important for development in general than rural development and agriculture, hence the importance of the current review.

12. Lastly, the draft outcome document of the upcoming high-level summit did not adequately address the role of rural development and agriculture in meeting the MDGs. The Council might, therefore, wish to consider conducting a more comprehensive review of progress in implementing the Declaration in 2008, five years after its adoption.

13. **Mr. Morris** (Executive Director, World Food Programme (WFP)) said that the Programme was very enthusiastic about the Declaration and strongly committed to creating an economic environment conducive to rural development. Achieving the MDGs was a powerful factor in that regard. The international community's single most important undertaking was to cut poverty in half by 2015 and to do it by eliminating child hunger. Through that vehicle, significant progress would also be made on other development goals.

14. WFP was working with the Government of Madagascar to improve the resilience of rural communities in the event of natural shocks, especially in the most vulnerable areas. It was also committed to buying products locally or regionally wherever possible and provided that such action did not distort markets. WFP worked mainly with women, as they provided 80 per cent of food and almost all of the homecare in most of Africa. Some 60 per cent of ration cards were issued to women, who were sure to use them properly. WFP had also insisted that at least half the members of food distribution committees must be women.

15. WFP was also looking at the impact of HIV/AIDS on women and children, particularly in the context of AIDS orphans. However, feeding children was no substitute for healthy mothers, and WFP therefore worked closely with the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) on mother-child programmes. Because of the huge number of people in Africa who had died, or were unable to work, as a result of AIDS, knowledge about farming that had traditionally been passed from one generation to the next was being lost. In response, WFP had established a programme to train AIDS orphans in farm management.

16. Most child deaths were due not to major emergencies, but to hunger. The fact that 18,000 children a day — or one child every five seconds — died from hunger was simply unacceptable. For that reason, WFP was working with the World Bank, non-governmental organizations (NGOs) and UNICEF to eliminate child hunger, particularly in rural areas. Sending a girl child to school for just five years had major repercussions in other areas too — agriculture, HIV/AIDS, low birth weight, etc. — and was not expensive. There was therefore no substitute for ensuring that rural children were properly fed, clothed and schooled.

17. **Mr. Andrianarivelo-Razafy** (Madagascar) said his Government was committed to advancing the economic and social welfare of the rural population. Two aspects for attaining overall progress in rural development in his country were important, namely Madagascar's partnerships with the United Nations Public-Private Alliance for Rural Development and the Millennium Challenge Account. In both cases Madagascar had taken the lead: it was both the first pilot country of the United Nations Public-Private Alliance and the first country to conclude an agreement with the Millennium Challenge Corporation.

18. Those initiatives were important since 80 per cent of Madagascar's population lived in rural areas below the poverty line, and the Poverty Reduction Strategy Paper (PRSP) showed that they had failed to benefit from the macroeconomic growth attained during the 1997-2001 period. The pilot project, carried out in conjunction with United Nations agencies had undertaken a number of initiatives, which included promoting and facilitating bankable projects from the Ministry of Agriculture and FAO. In the microfinance sector, the United Nations Public-Private Alliance had arranged partnerships to expand rural credit. A partnership had been arranged between the IBM and the World Wildlife Fund on small grants, which balanced environmental protection and income

generation at the village level; and assistance was being rendered in marketing value-added products, especially handicrafts.

19. Madagascar was the first beneficiary country of the Millennium Challenge Account. Its programme sought to bring rural Madagascar from a subsistence economy to a market economy by raising agricultural productivity and increasing agro-investment in targeted high potential areas. The programme focused on improving the environment for private sector investment through legal and policy reforms by increasing land security, developing the financial infrastructure and providing knowledge of market opportunities in rural areas, all of which contributed to economic growth and poverty reduction. To that end, the Government would target five geographical areas, on the basis of their potential for development in the above areas, through projects relating to land tenure, finance and agricultural investment.

20. **Ms. Kramer-LeBlanc** (Millennium Challenge Corporation) said the Millennium Development Corporation, which administered the Millennium Development Account, had been established in 2004 by the United States Administration. In doing so, the Administration had taken three important lessons of development into account: firstly, aid was most effective when it reinforced sound political, economic and social policies; secondly, country ownership was integral to a successful development programme; and, thirdly, programmes worked best when countries were accountable for their performance and results.

21. Countries competing for Millennium Challenge Corporation assistance were selected on the basis of their performance against indicators linked to three categories developed by international institutions: ruling justly, investing in people and encouraging economic freedom. Since a basic philosophy of the Millennium Challenge Corporation was that "country ownership" was integral to the success of any development plan, a country was responsible for putting good policies in place. To that end, the Millennium Challenge Corporation recognized that countries receiving its assistance needed to both identify their own obstacles to growth and be responsible for designing and implementing plans to overcome these obstacles.

22. In establishing development priorities for applicants, the Millennium Challenge Corporation asked the Governments to consult with representatives of civil society, NGOs, the private sector, other donors, local and regional leaders, and parliamentarians. There were three main requirements when evaluating a country's consultative process: the proposal for funding should be developed early, it should take into account a broad range of views, including those of women and the rural and urban poor, and countries should provide a monitoring and evaluation plan. In linking funding to programme results, the Millennium Challenge Corporation sought the best investment opportunities for poverty reduction. The Millennium Challenge Corporation had received its first proposals in the fall of 2004, and in April 2005 had signed its first compact with Madagascar, and other compacts would soon be signed with Nicaragua, Honduras and Cape Verde.

23. **Mr. Mantovani** (European Commission) said that the Commission was preparing a new policy that would place even greater emphasis on rural development and agriculture. Action would be pursued on two levels to implement the 2003 Ministerial Declaration, at the level of development policy, for which five key actions had been identified, and at the trade level. The key development policy areas included attaining food security, for which the European Commission had developed a policy for limiting the use of food aid to humanitarian crises to minimize its negative impact on local economies; achieving sustainable land management; developing an innovative land policy to effect land reform; and addressing the plight of commodity-dependent countries. Regarding trade, the European Commission had consistently been working on a development-friendly outcome of the Doha round of the WTO negotiations. With regard to increasing resources for rural areas, national strategies needed to give greater priority to rural development and agriculture, which would in turn lead to increased donor support.

24. **Mr. Abdoul Aziz Sow** (Minister of the New Partnership for Africa's Development (NEPAD), African Integration and Good Governance of Senegal) noted that extreme poverty in Senegal was predominantly a rural phenomenon and affected women and children in particular. To enable people to break out of that vicious cycle, the Government had established a decentralized rural development strategy, whose goals were to provide rural populations with

access to essential social services — health, education, drinking water.

25. Despite improvements in the food situation and literacy levels thanks to the strategy, poverty levels among the rural population remained high, which made the need for cooperation with various regional and international institutions indispensable. Given the central role that agriculture played in the fight against poverty, a green revolution should be launched, without which the Ministerial Declaration would not be implemented for hundreds of millions of impoverished Africans.

26. **The President** said that the floor was open for comments and questions.

27. **Mr. Gagain** (Observer for the Dominican Republic) said that his country had been one of the eight pilot countries of the Millennium Project, and a presidential commission had been established on the Millennium Development Goals. After evaluating its needs with a team lead by Jeffrey Sachs, the Government was giving priority to developing a plan to promote more integrated rural development that would be oriented towards the marginal population. What was needed was an agenda for the poor. The population of the Dominican Republic totalled 9 million people, two thirds of whom lived in rural areas.

28. **Mr. de Haen** (Food and Agriculture Organization of the United Nations (FAO)) said that it was no exaggeration to assert that the battle to achieve the Millennium Development Goals, in particular the goal of poverty and hunger reduction, would be won or lost in the rural areas of developing countries. To win that battle, rural households needed to enjoy income growth, income vulnerability had to be reduced, and a vibrant rural economic space was needed since it offered employment and income diversification. Rural societies also often served as a social buffer for the urban poor in periods of economic crisis or social urban unrest. Challenges to agriculture and the rural areas of developing countries had to be met, such as increasing food production for a growing and increasingly urbanized population; and institutional structures needed to be strengthened to ensure an integrated approach to development. While incentives for broad-based employment in rural areas were required, subsidies for labour-saving technologies, such as mechanization and agrochemicals, worked against employment creation and should be avoided.

29. Small-scale farmers also had to adapt to the rapid transformation of food systems already under way. Global food chains were expanding rapidly in developing countries. For example, supermarkets now controlled 50 per cent to 60 per cent of the food retail sector in Latin America and were expanding rapidly in Africa. A danger posed to small farmers was that in rural areas the abandonment of agriculture was occurring faster than the creation of employment opportunities.

30. While there was no unique rural development model, a number of general principles could be identified. They included following a balanced approach between support to productive activities, in particular agriculture, and social investments; ensuring multiple sources of income for the rural poor by introducing policies and investments beneficial to a wide range of subsectors and facilitating private sector investment; and strengthening institutional structures to bring about an integral and participatory approach to rural development.

31. Putting such measures into practice called for an increase in funding, both external and domestic. In that regard, FAO was pleased to note the resolution of the African Union on increasing the share of agriculture and rural development in national budgets to 10 per cent. A particular challenge would be to meet two Millennium Development Goals simultaneously, namely eradicating poverty and hunger and ensuring environmental sustainability.

32. **Mr. Moore** (Observer for the International Land Coalition) said that there was a need to redress power imbalances that limited the capacity of poor families to gain or protect their access to productive assets, particularly land. Since access to land and related resources touched upon fundamental inequalities in rural areas, challenges were great and progress had been mixed. Since 2003, there had been greater sharing of knowledge among countries on successes achieved by Governments committed to those difficult challenges. His organization had worked with several governments to foster greater stakeholder participation in policy formulation and the implementation of improved systems for land management. However, in some cases, the political will was lacking, especially when the political and landed elites were one and the same. The international community must ensure that the Ministerial Declaration continued to receive attention and was further reviewed in 2008. He

encouraged Governments to stress the need for agrarian reform and rural development in the negotiated text for the 2005 World Summit.

33. **Mr. Bâge** (President, International Fund for Agricultural Development), summing up the discussions, noted that several speakers had emphasized agriculture, rural development for broad-based growth and poverty reduction in achieving the Millennium Development Goals. Macroeconomic growth alone did not guarantee rural poverty reduction. Many countries had shared their experiences in the area of poverty eradication. The importance of political will and leadership to tackle the problem of rural poverty had been stressed as well as the need for countries to take ownership of the development process and for donors to respect country ownership. In that regard, the full participation of the rural poor, who often constituted the majority of the poor, in the design of poverty reduction strategies was absolutely crucial.

34. It was also necessary to address issues relating to access by the poor to land, natural resources, water, finance and markets, both at the local and global levels. The need for access to technology and the fruits of research through extension and institutions that were accountable to and helpful in empowering the poor, food security and nutrition, pro-poor agro-business and the role of the private sector had also been mentioned, as had been the need to more proactively integrate local rural development strategies with national development strategies.

35. In terms of rural-urban linkages, there was a need to provide, in a twin-track approach, both social services, education, water and sanitation and direct support to the productive sector of agriculture so as to generate incomes and make the social services sustainable in terms of boosting incomes. There was also a very strong gender dimension to the challenge under discussion, since rural smallholder farmers were, more often than not, women. Indeed, there was a need to capture the rich challenge contained in the 2003 Ministerial Declaration in the outcome document of the September Summit.

Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities
(*continued*)

36. **Mr. Biaou** (Benin), noting that paragraph 15 of the Millennium Declaration clearly spelled out the needs of least developed countries, said that the implementation of the Brussels Programme of Action for the Least Developed Countries should be evaluated in the global context of development goals agreed at the international level. In that regard, significant progress had not been achieved in implementing the Millennium Development and official development assistance goals. While the least developed countries assumed primary responsibility for their development, they expected developed countries and international organizations, including those of the United Nations system, to assist them in their efforts in a spirit of cooperation and solidarity through genuine partnerships. In that regard, the least developed countries had established partnerships with bilateral and multilateral partners which should eventually lead to progressive and harmonious sustainable development and achievement of the Millennium Development Goals in those countries. Since the adoption of the Brussels Programme of Action, the least developed countries had tried to honour their commitments, but the reaction of their development partners was still lukewarm.

37. He welcomed the fact that many initiatives would be presented at the forthcoming World Summit in September in order to find innovative mechanisms for promoting development. In that regard, consideration should be given to establishing a mechanism for holding accountable individually and/or collectively the parties involved in the implementation of the commitments entered into. Such a mechanism should also periodically evaluate progress achieved in the implementation of the Millennium Development Goals and remind each of the actors of their obligations. The current and future sessions of the Council should devote particular attention to the implementation of the United Nations Convention against Desertification, one of the most appropriate instruments for combating rural poverty. The Convention should also feature prominently in the debate and decisions of the forthcoming Summit in September. He urged the

development partners of the least developed countries to ensure that the objectives of the Programme of Action were achieved by 2010.

38. **Mr. Anyang'Nyong'o** (Kenya) said that the political will of African Governments together with the goodwill of their development partners were required in building up the capacities of Governments, the private sector and civil society to reach the Millennium Development Goals. Democracy was one of the key challenges that African countries must address in that regard. Indeed, without a sound, open and accountable democracy, it would be very difficult for Africa, and in particular Kenya, to develop the capacity for prudent public financial management. Peace and security in Africa would depend more on the entrenchment of true democracy than on any other factor.

39. In order to meet the Millennium Development Goals, African countries needed to build up their educational facilities, train teachers, administrative staff and supervisors and provide teaching materials. They must also improve the infrastructure and manpower of health-care systems and build capacity to reduce mother-to-child transmission of HIV as well as the incidence of tuberculosis and various strains of drug-resistant malaria. To improve access to safe drinking water and basic sanitation, they must invest heavily in infrastructure supporting those sectors in both the urban and rural areas.

40. Lasting prosperity and stability would only be achieved and poverty eliminated if countries created wealth and employment. That would mean securing property rights for the poor and creating enabling legal frameworks and institutions that allowed them to turn their buildings, livestock and other marketable assets into credit. Africa simply did not have or was not creating the types of incomes and employment that would enable its people to stave off hunger and accumulate savings and assets. Most farm production could not accomplish that, nor could the informal sector, which often employed 9 out of 10 people in Africa. Neither of those sources of employment created the types of networks and benefits that would allow those in formal employment, whether in the private sector or government, to accumulate savings and assets.

41. The availability of formal employment opportunities in the private sector must be dramatically increased. African countries needed capacity to turn their farmers into profit-oriented producers operating agro-businesses to sell value-added products. They also needed the capacity to turn informal entrepreneurs into formal, registered, taxpaying businesses with secure property rights and the ability to tap into credit markets. Those entrepreneurs would also be producers of value-added goods and services or of outsourced manufacturing and services from developed countries as well as sub-contractors to larger local firms. Over the next 25 years, Kenya, for example, must move three quarters of its labour force out of agriculture and the informal sector into the formal sector. None of those tasks were easy to accomplish, but they were possible with strong political will and financial investment by African Governments, technical assistance from developed-country partners, the opening up of markets and private sector encouragement in Western countries. His Government was taking measures, including under its Economic Recovery Strategy, to ensure that there were adequate structures and capacities to achieve the Millennium Development Goals.

42. **Mr. Mohamed** (Malaysia) said that the Millennium Development Goals constituted the minimum that needed to be achieved. It was regrettable that they failed to address all systemic issues critical to sustained growth, such as the impact of globalization, as well as greater participation of developing countries in global governance. Recent experience had shown that the fight against poverty could be won. Poverty was on the retreat in large swathes of the world, including China and India. His country's own experience in achieving and exceeding all but one of the targets well ahead of 2015 had shown that, with the right sequencing of economic and social policies, it could be done.

43. In Malaysia's experience, political will and domestic capacity-building were among the main prerequisites for those targets to be achieved. However, in addition to Governments, the private sector and civil society also should play a role. It was equally important to ensure that gains achieved were consolidated and built upon. He offered some thoughts on how the Goals could be achieved with regard to financing for development, coherence and the social underpinnings of economic growth. Development was not achievable in the absence of adequate, sustained and predictable flows of ODA and foreign direct investment. The Monterrey Consensus was the right

framework for achieving that. The main issue that needed to be addressed in the context of the Consensus was the implementation deficit. In that regard, he welcomed the adoption by the European Union of a timetable for increasing the levels of funding for ODA to reach the 0.7 per cent target by 2015. The monitoring mechanism proposed under the Plan of Action adopted at the Second South Summit in Doha would provide greater impetus to efforts to increase sources of financing for development. The Council could play a role in that regard in collaboration with other relevant bodies and organizations.

44. Emphasis should also be given to the issue of coherence, which should be considered at three levels. First, it should be ensured that what donor countries gave with the right hand was not taken away by the left hand. Secondly, there should be coherence in the policies of the developing countries, which should go a long way in maximizing aid effectiveness. Thirdly, there should be coherence among the multilateral institutions, particularly the United Nations, the Bretton Woods institutions and the World Trade Organization. Malaysia's own experience had shown that economic growth alone provided no guarantee that the people, especially those in the rural areas, would have access to adequate social services, the key to having a decent quality of life. He therefore suggested that the United Nations and its specialized agencies should undertake studies on the mechanisms by which social expenditures could contribute towards the development process.

45. *Mr. Hachani (Tunisia), Vice-President, took the Chair.*

46. **Mr. Maokola-Majogo** (United Republic of Tanzania) said that his Government had implemented a number of policy strategies, including the Development Vision 2025, the National Poverty Eradication Strategy and, most recently, the National Strategy for Growth and Reduction of Poverty, which was based on the Millennium Development Goals. Progress had been made towards attaining some of the Goals, such as universal primary education and the empowerment of women. More effort, both nationally and internationally, would be required, however, to meet the timetables for the other Goals. Thus, although poverty had declined slightly, 18.7 per cent of the population was food poor and 35.7 per cent could not meet their basic needs.

47. The Government would need to modernize the agricultural sector, which provided a living for 82 per cent of the population, but at the international level, fair and stable commodity prices, the elimination of trade barriers, the development of productive capacities, processing industries, technology transfer and public-private partnerships were also required. His country had taken measures to mainstream gender issues in all development policies. It had also amended the Constitution to ensure that 30 per cent of parliamentarians were women. Gender parity levels were encouraging in primary and secondary education, but were less satisfactory in higher education.

48. Despite Government efforts, there had been no substantial progress in reducing child mortality, partly owing to the prevalence of malaria and other communicable diseases over the past decades. Efforts to reduce maternal mortality through immunization, family planning and emergency treatment at delivery continued. Meanwhile, the increase in the number of people infected with HIV/AIDS undermined the prospects of attaining any development goals and various initiatives had been undertaken to build a deeper understanding of the pandemic. Although committed to ensuring environmental sustainability, his Government was conscious that the rural poor people of Tanzania could not subordinate their needs to conservation of the environment. Assistance from the developed countries was, therefore, necessary to eradicate poverty. The preliminary achievements of the National Strategy required support from increased foreign flows in the form of official development assistance, foreign direct investment and debt cancellation.

49. **Mr. Camara** (Guinea) said that, since the Millennium Summit, a broad consensus had gradually developed on the approach to be adopted to the numerous challenges faced by the developing countries, including sexual equality, social integration, good governance and the rule of law, as well as health, education and employment. His delegation welcomed the attention given to Africa's specific needs in various United Nations reports and called on the international community to support Africa's leaders in implementing the Millennium Development Goals, especially the efforts of the African Union in developing the New Partnership for Africa's Development. In his own country, the Government had set up a follow-up and evaluation group to assess progress made under the

Poverty Reduction Strategy introduced in 2000, which aimed to speed up economic growth, provide access to basic social services and improve governance.

50. The rebel and terrorist attacks against the country in September 2000, which had resulted in the loss of human life, material damage and the displacement of hundreds of thousands of people, leaving huge numbers of refugees still in Guinean territory, had been instrumental in slowing the growth of the economy to 2.6 per cent per year, as against 4.3 per cent in 1998. Inflation, which had averaged 3.5 per cent in the 1990s, had reached 27 per cent in 2004. With the support of the United Nations Development Programme, it had been possible to identify the main indicators and analyse the prospects of attaining the Millennium Development Goals. The restoration of peace in Sierra Leone and Liberia and the end of the rebel attacks, with the subsequent launch of reconstruction work in the affected areas, which had great agricultural potential, would give new impetus to economic growth and rural production.

51. The Government was determined to pursue its efforts to attain the Millennium Development Goals and, in that context, he thanked the country's bilateral and multilateral partners for their support. If radical measures were not taken to reverse the imbalances of the international system, however, the Goals would be hard to achieve. The international community must honour its commitment to the establishment of a multilateral trade system based on fair and non-discriminatory rules. The Doha round of trade negotiations should be relaunched and the rich countries should eliminate the subsidies that harmed the developing countries' agricultural markets and production. The decision on debt cancellation by the G-8 countries was most welcome in that context.

52. His delegation also supported the suggestion that a tolerable level of debt should be defined as one that enabled a country to attain the Goals by 2015 without any increase in the rate of indebtedness. It was also in favour of the establishment of the International Financial Facility. The work by Brazil, Chile, France, Germany and Spain on scaling up development financing was to be commended. The forthcoming Summit could be instrumental in advancing development and he encouraged the Economic and Social Council to make its specific contribution by identifying the principal areas of activity that could aid development. The proposed new institutional arrangements to speed up the implementation of the Millennium Development Goals were encouraging.

53. **Mr. Suruma** (Observer for Uganda) said that his country had achieved some degree of success in eradicating poverty: per capita incomes had grown 3.7 per cent a year since 1991 and the percentage of the population below the poverty line had fallen from 56 per cent in 1992 to 38 per cent in 2003. Rapid population growth, however, meant that the number of people living below the poverty line had declined only marginally. The Government had therefore intensified implementation of its Poverty Eradication Action Plan by increasing public expenditure on agriculture. Microcredit was being made more available and affordable to peasant farmers. Since 75 per cent of Uganda's households derived their livelihood directly from agriculture, productivity in that sector was essential.

54. The formation of the East African Customs Union in February 2005 would improve market opportunities for the country's agricultural products. Reform was, however, needed in the world trading system, with the abolition of tariff and non-tariff barriers. Significant progress had been made in the area of education and gender equality. Thanks to the Heavily Indebted Poor Countries Initiative, it had been possible to fund universal primary education, and the gender difference in primary school enrolment had already disappeared.

55. Uganda had been able to reduce the HIV/AIDS infection rate to between 6 per cent and 7 per cent, down from 30 per cent in the 1990s. Malaria remained the principal killer in Uganda and maternal and infant mortality remained unacceptably high. The international community had been of great assistance, but he urged that concerns about macroeconomic absorptive capacity should not stand in the way of appropriate aid. Essential drugs should not be withheld on the grounds that the economy was too small to absorb external aid funds. As for access to safe water, coverage had reached 58 per cent in rural areas and 93 per cent in urban areas; full coverage was expected by 2015. Progress on sanitation, however, was not so far advanced.

56. Although Uganda had made great efforts in virtually all the areas required to attain the Millennium Development Goals — a liberal market environment, a flexible public-private partnership, constitutional governance, a reformed financial sector, an improved

banking system, a better road network and a reinvigorated telecommunications sector, with 6 per cent average annual real growth in gross domestic product over the past 20 years — much remained to be done. Above all, the infrastructure was insufficient to support the economy. Power generation capacity must be boosted and the railway to the sea overhauled. Lastly, his delegation welcomed the debt cancellation announced by the G-8 countries and hoped that it would become available in time to make a decisive contribution to Africa's heavy infrastructure burdens.

57. **Mr. Angula** (Namibia) said that progress in the implementation of the internationally agreed development goals, including the Millennium Development Goals, had been slow in sub-Saharan Africa. The results in Namibia were mixed: progress had been significant or moderate in some areas and slow in others. Following the launch of its Poverty Reduction Strategy in 1998, which had been followed by a comprehensive Poverty Reduction Action Programme for the period 2001-2005, Namibia had recently embarked on a Participatory Poverty Assessment. The Assessment had been completed in three out of the country's 13 regions and would shortly be extended to the others. The outcomes would be utilized in the formulation of the Third National Development Plan 2006-2011.

58. Progress had been made in education: basic education was free and accessible to all, showing gender parity and a net enrolment rate exceeding 87 per cent. Namibia was one of the few countries in Africa that maintained a social safety net for vulnerable groups such as senior citizens, orphans, people with disabilities and war veterans. Given that the livelihood of most of the population depended on agriculture, the Government had embarked on rural infrastructure development. It had also made good progress in the provision of safe drinking water, in which the target of providing 80 per cent of the rural and 95 per cent of the urban population with water by 2006 had already been achieved. Its national housing programme had also been successful.

59. HIV/AIDS had been the leading cause of death since 1996 and also a threat to sustainable development, since it diverted resources from other sectors. The epidemic had stabilized, though prevalence was still alarmingly high. In the area of gender equality and the empowerment of women, Namibia had introduced the National Gender Policy and National Gender Plan of Action, the Affirmative Action (Employment) Act, the Combating of Rape Act (which also recognized marital rape) and the Married Persons Equality Act. Among decision makers at the political level, 34.7 per cent were women, as were 26.9 per cent of parliamentarians. Combating desertification, land degradation and loss of biodiversity were priorities for fighting poverty. The Government devoted particular attention to capacity-building for the management of natural resources.

60. As one of the most stable market economies in Africa, with a commitment to democracy, human rights, transparency and good governance, Namibia had recently established the Anti-Corruption Commission. Any advances, however, were hindered by factors beyond the country's control, such as HIV/AIDS, poverty and food insecurity. Yet Namibia was classified as a lower middle-income country on the basis of the annual average per capita income. In reality, it had one of the highest levels of income disparity in the world, owing to the legacy of apartheid. Over 80 per cent of the population could not be classified as middle-income citizens and it was unjust that, on the basis of that classification, official development assistance had declined.

61. The problems of countries in such a position should not be overlooked by the United Nations and the international community. Like other developing countries, Namibia lacked the human and institutional capacity to deal with development issues, especially in trade, mobilization of resources and service provision. It also lacked appropriate technologies. Globalization presented more challenges than opportunities. Practical steps should be taken to ensure that countries like his own were not left behind.

62. **Mr. Truszczyński** (Poland) said that his Government recognized the key role of the Economic and Social Council in improving the integration of United Nations activities and favoured the strengthening of the Council's relations with the international financial institutions and regional development organizations.

63. Account should be taken of the diversity and interests of different countries and groups; the situation should not be reduced to a mere North-South dichotomy. Stronger support should also be given to regional integration mechanisms such as the New Partnership for Africa's Development (NEPAD) to

complement the special consideration given to the least developed countries. At the same time, more attention should be paid to the situation of countries with economies in transition. Assistance to countries such as his own, characterized by good governance, respect for human rights, economic growth and private-sector development enabled them to evolve from aid recipients to emerging donor countries.

64. Over the past few years, Poland had greatly increased its official development assistance (ODA) to developing countries and those in transition, and was determined to meet the target of 0.7 per cent of gross national product by 2010. Increased, predictable and stable ODA was fundamental; in that regard, the European Union's decision to set new, collective ODA targets was welcome. An open and equitable trading system was essential, with duty-free and quota-free treatment being accorded to the exports of least developed countries, account also being taken of the per capita income differences among them.

65. Poland acknowledged the debt-sustainability framework prepared by the International Monetary Fund and the World Bank, and welcomed the new strategies envisaged by the G-8 group of industrialized nations for dealing with the debts of poor countries. There was a need to look beyond the year 2015 and consider a new generation of long-term policies and programmes to deal with globalization, uneven economic growth and demographic changes, with more attention to broad social programmes that would help eliminate poverty and ensure decent living standards. With momentum gathering, development issues had reached the forefront of the political agenda, auguring well for the success of the September Summit.

66. **Mr. Kasemsuvan** (Thailand) observed that there was no room for complacency in working towards the Millennium Development Goals, noting that one third of the time frame had already elapsed. To attain sustained economic growth, combined international efforts and a synergized strategy were needed among both developing and developed nations.

67. The G-8 countries' announcement of 100 per cent debt relief for the most heavily indebted poor countries was welcome. Expanding that to include all heavily indebted developing countries would be a major step towards freeing up those countries' energies and resources. The recent upward trend in ODA was also encouraging. The European Union's commitment to meet the 0.7 per cent target for ODA by 2015 was commendable, and Thailand hoped the rest of the developed world would follow suit. All sectors and all stakeholders must share the sense of responsibility and commitment, and the public-private partnership must be encouraged.

68. In the light of the hard lessons that it had learned from the 1997 Asian financial crisis, Thailand could share its ideas with its friends in the developing world. There was a need to empower the grass roots of the economy, giving them access to resources, including microcredit facilities and revolving village funds, in order to turn indigenous skills into income. Job-creation and income-generation schemes, with the Government and private sector providing ideas, publicity and marketing, were a valuable means of improving livelihoods. The private sector could also help augment rural incomes by promoting computer literacy and cyberspace marketing.

69. In Thailand, rapid progress was being made. Local economies living within their own means had been created. While prospering itself, Thailand also believed in helping other developing countries to prosper, and accordingly had expanded its development-partnership strategy with all its immediate neighbours. It had also concluded partnership agreements with developed countries with a view to helping other developing countries. The current high-level segment, the September Summit and the United Nations reforms would bring new hopes, opportunities and progress towards the millennium goals. Thailand pledged to collaborate with a view to making 2015 a landmark for generations to come.

70. **Mr. Winkler** (Observer for the Czech Republic) said that his country had expanded its development cooperation in the past five years by more than tripling its ODA. Most of that took the form of bilateral projects of various kinds, targeting the social and economic infrastructure of developing countries. More than 20 such projects were under way in developing countries, including several least developed countries.

71. The Czech Republic believed in promoting education and training for sustainable development. It sought partnerships to assist in implementing the Millennium Development Goals. In that respect, it attached great importance to Africa's development and recalled the European Union's commitments, including increased financial assistance to sub-Saharan Africa. In

conclusion, he stressed the important role played by the Economic and Social Council for the whole development system.

72. **Mr. Jusys** (Lithuania) said that, in his delegation's view, the Millennium Development Goals could be achieved only if there was focused political will and concerted action. Rich and poor nations alike must make a joint commitment, and actions needed to be well-targeted and coordinated at all levels. International cooperation had to be better tailored to national efforts, and national strategies needed to be more ambitious. Those strategies should also help to strengthen good governance — including financial accountability — promote human rights, involve civil society and promote the private sector.

73. The relationship between developed and developing countries should shift from that of donor-recipient to a true partnership, strengthening the developing countries' sense of ownership of the processes. Moreover, international aid must be made more effective. Bilateral and multilateral donors needed to harmonize their operational procedures and align aid with country-specific priorities, and results should be measurable. His delegation supported the idea of innovative sources of financing for development, but they could not substitute for the national will to increase assistance.

74. Lithuania was increasing its contribution to development, focusing on East-East technical cooperation. Its experience in building democracy and good governance, promoting human rights and reducing poverty could be valuable to other countries with economies in transition. It believed that well-functioning regional cooperation was the key to reaching the development goals.

75. **Mr. Chappatte** (Observer for Switzerland) said that the Millennium Development Goals were the engine of the larger development agenda. Because the international community had made numerous pledges towards development, exceptional efforts had to be made to maintain overall policy coherence.

76. Particular attention should be given to education and health. All children in the world should receive an education enabling them to shoulder their responsibilities as adults and as citizens and to keep pace with a rapidly changing world. Education was an investment not only in the socio-economic arena but in peace and security, because it was a remedy to ignorance. All individuals should have access to basic health care, including basic medicines and adequate medical personnel, since populations that greatly suffered from illnesses could not take advantage of development opportunities. Thus, universal access to reproductive health care and respect for reproductive rights were a prerequisite for socio-economic development.

77. It had long been recognized that national authorities alone should shape development policies. However, in spite of their good intentions, developing countries sometimes lacked practical know-how, hindering policy implementation. Thus, it was vital that developing countries had competent personnel and functioning public institutions, for example, in the fields of education and health and in new areas such as direct budgetary assistance and cross-sector approaches. United Nations development agencies had an important role to play in that effort. Switzerland encouraged them in their actions and pledged its continued support.

78. **Mr. Raubenheimer** (South Africa) recalled that it was a collective moral responsibility to make the right to development a reality for everyone and to free the human race from want. He wished to refer to a few of the implementation gaps highlighted in the Secretary-General's report (E/2005/56). With regard to eradicating poverty and hunger, his delegation fully agreed on giving priority to rural development and increasing food output and incomes, and on the urgent need to launch a green revolution in Africa. South Africa stood ready to engage in actions to that end.

79. To achieve the development goals, there was also a need to incorporate a gender perspective in development policies and programmes, and women and girls should be involved in decision-making and policy development. With regard to environmental sustainability, his delegation called for the full implementation of the Plan of Implementation adopted at the World Summit on Sustainable Development held in Johannesburg in 2002.

80. In keeping with the agreement reached at the International Conference on Financing for Development on how best to generate resources to implement the development goals, his delegation welcomed the progress made towards increasing ODA, as represented by the European Union's announcement of timetables for that purpose and the G-8 countries'

announcement concerning multilateral debt relief for 18 least developing countries. It also welcomed proposals for additional sources of financing. Those were significant steps, but still more needed to be done.

81. His delegation called for further consideration of the debt problems of other poor and middle-income countries. Donor countries which had not yet done so should declare timetables to achieve the 0.7 per cent target, and should take additional measures to encourage investment flows to developing countries. South Africa fully subscribed to the notion of trade as an engine of development, and hoped that the idea would be taken up at the September Summit, which should also provide firm political will to the upcoming Sixth Ministerial Conference of the World Trade Organization, to be held in Hong Kong in December 2005.

82. Having drawn up detailed strategies for development at past United Nations conferences, the Member States now faced the challenge of implementation, with each country having primary responsibility for its own development. But since the commitments had been agreed to in public, the questions about each country's implementation should also be asked and answered in public. The United Nations, as the convenor of the conferences, therefore had a role to play in highlighting the degree of implementation of the commitments, providing a platform to assess the progress made at all levels.

83. South Africa therefore endorsed the Secretary-General's proposals that the Economic and Social Council should play a stronger role in keeping progress under review, and should strengthen its capacity to monitor and evaluate implementation by both developing and developed countries. Accordingly, it supported the suggestion for a development cooperation forum and for the Council to serve as a platform to review strategies, focusing on a truly global partnership for development. The responsibility for development must be shared by all nations in a transparent and equitable manner so as to create an enabling environment conducive to development and poverty eradication.

84. **Mr. Sevilla Somoza** (Nicaragua), after endorsing the statement of the Group of 77 and China, said that the Millennium Development Goals (MDGs) should be part of a larger, complete development agenda. Regions such as Latin America required a long-term programme that was more ambitious than the MDGs. To that end, Nicaragua's national development plan, with the involvement of all sectors, set medium- and long-term goals for comprehensive development. Official development assistance should conform to the priorities of the Government of Nicaragua, should be deployed more efficiently and more effectively and should be directly aimed at sustainable socio-economic development. Meetings and declarations such as the Paris Declaration on Aid Effectiveness contributed valuable goals and benchmarks, but it was up to the receiving countries to create rapid-action development mechanisms on the ground, in accordance with their own priorities.

85. It was of concern that, according to the report of the Economic Commission for Latin America and the Caribbean entitled "*The Millennium Development Goals: a Latin American and Caribbean perspective*", progress towards the Goals in Latin America and the Caribbean was very uneven, greater efforts and resources were needed over the next decade, and several countries were unlikely to reduce their levels of extreme poverty. Further, the report singled out six countries, including Nicaragua, in which it was particularly urgent to reduce extreme poverty.

86. Nicaragua believed that, in the preparations for the High-level Plenary Meeting, the Economic and Social Council should contribute recommendations for achieving the Millennium Development Goals. Finally, the reform of the Council was central to the negotiations under way, and Nicaragua was ready to endorse the Secretary-General's proposals for the Council.

87. **Ms. Utoikamanu** (Observer for Tonga) said that Tonga had over twenty years of practical experience in planning and implementing regional development groups in each of the main outer island groupings. It had achieved targets such as universal primary school education for children from ages 5 to 14, and had improved secondary school enrolment rates. Most of the population had access to safe water and sanitation facilities in rural and urban areas. The country's rating on the Human Development Index and the Human Poverty Index reflected large allocations in the areas of health and education, stagnant population growth, and sustained high levels of investment in the social sector. The Government was carrying out a comprehensive health and education development programme, with a

view to improving the quality and level of services provided.

88. Although absolute poverty was almost non-existent in Tonga, that country was highly vulnerable to external economic shocks and natural disasters. Under other definitions of poverty, however, including social, economic, and human development factors, inequality was more widespread than was usually thought. Owing to cultural obstacles, Tonga lagged behind neighbouring island countries in participation by women in decision-making, both at the local and national levels.

89. Among other regional and international efforts to enhance economic growth in the region were the Pacific Plan and the draft Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. Like most other countries in the Pacific region, Tonga relied primarily on international assistance for development. Tonga joined other States in welcoming the commitment made by donors to meeting the 0.7 per cent ODA target, and other commitments made by traditional donor partners to continue support for the development of countries in the Asia Pacific region.

90. In order to attain the MDGs, the Pacific Islands would need not only ODA but also Foreign Direct Investment (FDI), as well as trade and development partnerships. Tonga welcomed efforts to solve the debt problems of middle-income developing countries through debt restructuring. Lastly, that country supported the strengthening of the Council, in particular the proposal to hold annual progress assessments at the ministerial level and believed that it should serve as a high-level development cooperation forum and regularize its work in post-conflict management.

91. **Ms. Bloem** (Conference of NGOs in Consultative Relationship with the United Nations (CONGO)), speaking on behalf of the Council's NGO/Civil Society Forum held in March, said that the ability of NGOs to address the Council at the highest level constituted a major breakthrough in their consultative relationship. The NGO/Civil Society Forum hoped that the Ministerial Declaration would reflect some of its recommendations on the implementation of the MDGs, as well as the results of the major world conferences of the 1990s. It believed that the Council, which had strong legitimacy among people's organizations around the world, was the single institution that should be empowered to implement development goals and to coordinate development efforts. It therefore supported the strengthening of the Council in view of the recommendations made by the Secretary-General and suggestions made by NGOs at its recent hearings before the General Assembly. In that regard, she referred Member States to the statements and recommendations of NGOs contained in documents E/2005/1-28.

92. At the NGO/Civil Society Forum, NGOs had focused first on Goal 8, calling for the formulation of clear and transparent indicators, especially for ODA. NGOs had expressed their concern at the lack of mechanisms to monitor Goal 8, the only MDG that was the responsibility of the developed countries, and stressed the importance of adjusting goals and indicators to national realities. In particular, they wanted to participate in designing policies for the attainment of the MDGs and the formulation of indicators; they did not want a vague monitoring function. They had also emphasized the need for synergy between development actors and for harmonization among donors, welcoming the G-8 countries' debt-cancellation initiative for the least developed countries. Concerned, however, that that step might reduce already scarce ODA resources, they urged Governments to keep their promises to meet the 0.7 per cent ODA target. In that regard, they were encouraged that the European Union had set a timeline for reaching that target.

93. The NGO/Civil Society Forum had also recommended that developed countries should be lobbied to eliminate trade barriers and subsidies, especially in the area of agriculture, in order to encourage exports by the rural poor in developing countries. Participants recommended harmonizing the work of institutions offering assistance and such economic authorities as the World Bank and the World Trade Organization (WTO), and called for a positive outcome of the Sixth WTO Ministerial Conference.

94. In the view of the NGO/Civil Society Forum, a genuine dialogue needed to be created with persons living in extreme poverty, for the attainment of Goal 1. The NGO community largely agreed that gender should be a cross-cutting issue in the implementation of the MDGs and should not be restricted to Goals 3 and 5, that investments should be made in education for girls

and women, especially in the area of information and communications technologies (ICT), and that small-scale enterprises and self-help groups for women should be encouraged.

95. The NGO/Civil Society Forum also strongly believed that the MDGs must be tailored to the needs of local communities as well as to their cultural realities, condemned a one-size-fits-all approach, and encouraged support for the initiatives of indigenous peoples in designing plans for the implementation of the MDGs. CONGO, in particular, felt that information and communications technologies for development should play a greater role in attaining the MDGs. NGOs had made a unique contribution to the adoption of the outcome documents of the major world conferences of the 1990s, and were ready to join forces with the Council to make those commitments, including the MDGs, a reality for the world's poor in the new millennium.

96. **Mr. Clerc** (Droit à l'énergie-SOS futur) said that his organization grouped together 200 organizations in 63 countries. Its objectives were the recognition of the right to energy as a human right, along with access to energy, and the preservation of the planet for the benefit of future generations. Energy meant, among other things, health, education, transportation and communications. The link between the access to energy and poverty was absolutely direct. Although the MDGs did not directly refer to energy, their attainment was impossible without energy. His organization had identified five key actors in the area of access to energy: States and large regions, international institutions, the energy industry, civil society, and NGOs and civil associations.

97. It was fundamental for energy companies to be privately owned, and for their investments in developing countries to be protected. His organization proposed the establishment of a United Nations programme to universalize access to energy, along with a world energy access agency, under the auspices of the United Nations. Such a structure would make it possible to merge the interests and resources of States, international institutions, and the energy industry. It could help to mobilize the necessary capital, in a democratic and transparent framework, giving investors the guarantees they needed in an unstable economic environment, in order to work on achieving sustainable economic development, which in turn would aid in providing energy and electricity to developing countries, and access to microcredits, fair trade, and related services, in particular information technology.

98. Developing countries had no globalization ideology; they merely needed results. His organization worked toward energy access likewise without ideologies or dogma. If the political will was mustered to provide access to energy, Droit à l'énergie-SOS futur, wherever it was located throughout the world, was prepared to offer its services to institutions with a view to attaining those goals by 2015, or earlier.

99. **Mr. Yumkella** (Director-General, United Nations Industrial Development Organization (UNIDO)) said he would focus on two issues. The first was achieving a poor-poor private-sector led industrial transformation. A great deal of conceptual thinking was currently devoted to studying the patterns of growth that would empower the poor; it was becoming clear that the key to long-term poverty reduction was a dynamic private industry sector that would create employment and generate income, especially for poor and disadvantaged groups in rural areas. Major reductions in poverty had occurred in the last two decades in China, Japan and Malaysia, among other countries, on the basis of a multisector assault on poverty. It was of paramount importance to replicate such strategies, and interregional partnerships should be encouraged for that purpose, for example, between Asia and Africa.

100. The multilateral system and the current Council session should make a commitment to search for practical strategies and best practices that could lead to genuine poverty alleviation, including south-south cooperation. In the fight against such diseases as HIV/AIDS, malaria and tuberculosis, public-private partnerships should be strengthened in order to encourage local production of essential drugs in developing countries — a process that had been successful in such places as Brazil, Cuba, India and Thailand. Corporate responsibility strategies had also been shown to be effective in addressing social development goals in a number of cases.

101. The second issue was achieving greater coherence in economic development among various agencies, an area in which he believed the Council had a major role to play. The recent UNIDO proposal entitled "Enhancing the Contribution of the United Nations System in the Field of Economic Development

to Achieve MDGs", foresaw the creation of a voluntary mechanism for coordinated action to unleash the full potential of the system for the fulfilment of the MDGs, to facilitate a more rational division of work on economic development within the United Nations system, to promote specialization in the core competencies of the organizations concerned, and to enhance synergies. He agreed that creating sustainable jobs was the key to poverty alleviation. That was only achievable, however, if competitiveness and efficiency were encouraged in poor economies. The proposal had gained strong support from the United Nations system, and an open-ended task force had been created to pursue it further.

102. Since most of the poor were in rural areas, it was essential for the Food and Agriculture Organization of the United Nations (FAO) and UNIDO, the two agencies in the United Nations system that covered the productive sectors, to work together. Linking farmers to markets would be more effective if they were helped to add value to their commodities. Linking poor economies to the global trading system benefited the poor more if they produced more highly-valued products. UNIDO planned to enhance its collaboration with the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO) and the United Nations Development Programme (UNDP) to pursue some of those goals.

103. **Mr. Yildirim** (Istanbul International Brotherhood and Solidarity Association (IBS)) said that his organization had its headquarters in Istanbul and was active in more than 15 countries, primarily in the areas of humanitarian aid, education, and social and cultural development. After the 2004 tsunami in Asia, IBS had sent a team to distribute such essentials as food, medicines, drinking water, clothes and sanitary materials. But its most important area of concern was child protection: more than 40,000 children had lost one or both parents as a result of the tsunami. IBS had chosen to concentrate its efforts on the traditional boarding schools, which had opened their doors to orphans and other affected children, and was currently providing full financing for two of those schools. It had renovated old buildings, constructed a dormitory, library and kitchen, and built housing for teachers.

104. Furthermore, in conjunction with other NGOs, IBS had undertaken a housing project for a thousand families, in the small town of Lamno, Indonesia, which had been totally destroyed. One of the major problems IBS had encountered in the field was transportation: the main roads had been destroyed by the tsunami. The United Nations had given vital support by providing the use of a helicopter to transport necessary material to regions which would have been otherwise inaccessible, and he wished to offer sincere thanks to the Organization and its staff for that effort.

The meeting rose at 7.30 p.m.

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Economic and Social Council

Provisional

13 July 2005

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High-level segment

Provisional summary record of the 13th meeting
Held at Headquarters, New York, on Friday, 1 July 2005, at 10 a.m.

President: Mr. Akram ..... (Pakistan)
later: Mr. Verbeke (Vice-President) ..... (Belgium)

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Panel presentation on the response of the Chief Executives Board (CEB) to the Millennium Declaration

Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities

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The meeting was called to order at 10.10 a.m.

Panel presentation on the response of the Chief Executives Board (CEB) to the Millennium Declaration

1. **The President** drew attention to a CEB report entitled "One United Nations — catalyst for progress and change".

2. **Mr. Civili** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs) said that the dialogue between the executive heads in CEB and the Economic and Social Council was not as systematic and visible as it could or should be. The Council's structure led to a certain dispersion in executive heads' participation and CEB reports were not the best basis for a truly comprehensive policy dialogue. Moreover, there was no single overriding focus for the dialogue.

3. The progress being made in the implementation of the overall development objectives of the Millennium Declaration provided an obvious focus for the present and the future. A key proposal for reform of the Council put forward by the Secretary-General involved granting it a clear mandate to exercise a central role in monitoring implementation. Such a mandate could provide a comprehensive platform for the kind of dialogue between the Council and CEB that all wished to see. The CEB report under consideration should be seen as a prelude to that renewed and expanded dialogue.

4. In recent years, the Council and CEB had worked together to integrate the Millennium Development Goals into the wider development agenda. The concept of coordinated and integrated follow-up to conferences promoted by the Council was central to the policy contribution that inter-agency coordination could make towards the realization of the Millennium Development Goals. Those Goals would not be attained unless complex conference commitments were translated into action by developed and developing countries in a concerted, mutually reinforcing way with the support of the United Nations system. He was confident that the 2005 World Summit would pursue reform of the Council on that basis, leading naturally to an intensified, more purposeful and more comprehensive dialogue between the Council and CEB.

5. The Millennium Declaration had played a unique role in achieving a renewed unity of purpose among CEB executive heads, who had realized the need to show that multilateralism could work effectively. To demonstrate that point, the panel might wish to review what the Millennium Declaration had done to unify the United Nations system, how to address the challenges facing the system and how best to translate Member States' commitments into action.

6. The document entitled "The Millennium Development Goals report 2005" recently submitted by the Secretary-General complemented the CEB report. While the latter looked at the system's role in assisting countries to implement the Millennium Declaration, the former examined the actual progress made in the countries and the challenges ahead. Both were truly system-wide products.

7. **Mr. Båge** (International Fund for Agricultural Development (IFAD)) said that the CEB report was the product of a profound consultative process involving the whole United Nations system. It aimed to strengthen the case for multilateralism by demonstrating how available resources and capacities could be efficiently and effectively mobilized and how the links between normative and operational work could be further strengthened to ensure results. The consultative process leading to the report had in itself forged strengthened links and enhanced partnerships among the United Nations organizations. The Millennium Declaration had had a profound impact, leading to a new unity of purpose and a new spirit of cooperation within the system. It was critical to ensure that the system was ready to shoulder the responsibilities entrusted to it, and the role of the Council, as the primary body responsible for guiding coordination and collaboration within the system, was crucial in that regard. The report was part of the ongoing processes leading up to the review at the 2005 World Summit. It highlighted the system's response in helping countries to meet the Millennium Declaration objectives in key areas and supported the central thrust of the Secretary-General's report entitled "In larger freedom: towards development, security and human rights for all" (A/59/2005), namely the need for a comprehensive response to present-day challenges. Three premises had guided the system's strategies for the achievement of the Millennium Declaration objectives: the holistic nature of human-centred development and the linkages between the three pillars

of collective action in the Declaration and the Goals; the need for sustained and enhanced economic growth to support socially and environmentally sustainable development; and the creation of a supportive enabling international environment. The system stood united in its commitment to realize that vision. The report described the system's strategy in the context of the wider United Nations development agenda and the challenges ahead at the global, regional and country levels. The decisions taken at the 2005 World Summit would guide the ongoing efforts of CEB to develop further inter-agency coordination and collaboration.

8. The Millennium Declaration had challenged the United Nations system to adopt new innovative approaches to enhance collaboration in the areas of human rights, democracy and good governance. Specific examples of such collaboration were covered in chapter 3 of the report.

9. In recent years CEB had focused on how the system could most effectively create the conditions for lasting peace and security. Chapter 4 of the report detailed the thrust of the work of the United Nations in the areas of conflict prevention and peacebuilding. United Nations organizations had made considerable strides in adopting multidimensional country-based approaches to conflict prevention and post-conflict reconstruction. To enhance the effectiveness of the efforts undertaken required a better understanding of the nature of the threats to peace and the factors contributing to conflict and it would also be necessary to strengthen the system's capacity to mobilize and coordinate the efforts of all actors in developing and implementing comprehensive prevention and peacebuilding strategies. Those challenges would require greater support from Member States and intensified efforts by the United Nations system. The system's future work in the area of peace and security would be guided by the outcome of the 2005 World Summit, by the directives of the governing bodies of its constituent members and by the ongoing evolution of the international policy and legal frameworks. In that respect, he stressed the importance of adopting a consistent and coherent approach. Achieving the vision of "One United Nations" would require the adoption of the changes outlined in the report in three core areas: deepening understanding and better managing knowledge; achieving an inclusive, purposeful mobilization of all resources and capacities; and increasing transparency and accountability.

10. **Ms. Obaid** (Executive Director of the United Nations Population Fund (UNFPA)) said that the United Nations must be accountable to the people it served and do more to achieve the Millennium Declaration objectives. People all over the world continued to look to the United Nations to champion its founding principles of peace, security, development and human rights. Governments must also be accountable for ensuring that the funds they received benefited the causes and people for which they were intended. The United Nations supported the efforts of people to hold their own Governments accountable. To ensure accountability, the United Nations system, Governments and institutions must promote human rights, good governance, democracy and the rule of law. The new CEB report emphasized the need for a common, system-wide position of zero tolerance for abuses, of openness to scrutiny, and of proactively implementing the most effective and reliable systems for monitoring, evaluation, audit and oversight, including system-wide action to evaluate the performance of the United Nations not merely in terms of effort, but mainly of real impact on targeted areas. The Paris Declaration provided a road map for increasing the effectiveness of aid and the United Nations could and should do more to improve and simplify assistance work in support of national development goals and capacity-building.

11. The Millennium Development Goals offered a unifying framework for collective action and, together with the Millennium Declaration, facilitated the evolution of a more coordinated, cohesive and functional United Nations system. The report entitled "One United Nations" showed how the United Nations system was collaborating with countries to help them to implement the Millennium Declaration meaningfully within their own national goals. While CEB had helped the United Nations system to make substantial progress, much more needed to be done for it to evolve into the cohesive force for progress and change that current conditions required and Member States had demanded. For millions of people, malnutrition, AIDS, conflict and illiteracy were a daily reality owing to man-made factors such as an unjust global trade system, a debt burden and insufficient and ineffective aid. She welcomed the decisive action taken by the entire United Nations system in recent years to improve its response to such challenges. The internal reforms being undertaken within the United Nations system were part of a larger shift in which all

development partners at the country level were working more closely in support of national objectives. Such efforts were crucial, since the real difference would have to occur at the national and community levels.

12. **Mr. Sundaram** (Assistant Secretary-General for Economic Development) said that the Millennium Development Goals report 2005 was a collaborative effort which complemented the Secretary-General's report entitled "In larger freedom" by providing the most comprehensive accounting to date on the extent to which the goals and targets agreed upon at the Millennium Summit had been met.

13. The report showed that despite the massive and unprecedented reduction in extreme poverty in parts of Asia during the 1990s, human welfare indicators had not improved as impressively. Globally, the number of people living in extreme poverty had fallen by 130 million. However, the number of poor people in sub-Saharan Africa had actually increased and the poorest had become ever-poorer: average incomes had decreased by over 3 per cent over the decade. Efforts to eradicate poverty and hunger had been set back by conflicts and natural disasters. Over the period from 1994 to 2003, 12 million out of 13 million deaths in large-scale global conflicts had been in sub-Saharan Africa, Western Asia and Southern Asia. Those three regions were also home to three quarters of the world's 37 million refugees and displaced persons. Poverty in rural areas had been exacerbated by environmental degradation. Forests were disappearing fastest in the poorest regions, affecting most immediately those who depended on the natural environment for their subsistence and livelihoods. The exodus to urban areas had reduced pressure on rural land, but the growth of slums had outpaced urban development. For the poorest countries, external aid was critical to hopes for reducing poverty. Although development aid had reached an all-time high of $79 billion in 2004, the level was partly due to exchange rate movements and still remained historically low as a share of donor countries' incomes: aid was still equivalent to just one quarter of 1 per cent of donor countries' national income and only five countries currently met or exceeded the United Nations target of 0.7 per cent of national income. Worldwide, almost 200 million people were jobless and just under half of them were young. Women were more likely to be unemployed, paid less and consigned to the worst jobs. AIDS was the fourth largest cause of adult deaths, while malaria and tuberculosis combined accounted for nearly as many deaths. All three diseases were concentrated in the poorest countries and took a huge toll on people's education and ability to perform productive work. While progress continued to be made in providing poor people with affordable and effective drugs and treatments, an estimated 6 million people would benefit from antiretroviral drugs, and well over 100 million people from the new anti-malaria drugs.

14. The United Nations development agenda had a mutually reinforcing relationship with the Millennium Development Goals. The CEB report correctly emphasized the need for a system-wide holistic approach and much more policy coherence within the United Nations system. Operations needed to be more closely integrated with conceptual and analytical work and with the norms enshrined in the Charter of the United Nations and the Millennium Declaration. Finally, implementation of the United Nations development agenda must be based on principles of democratic governance, in order to give full meaning to the opening words of the Charter: "We the peoples".

15. **The President** asked whether there was sufficient integration of the regional commissions in the report.

16. **Mr. Civili** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs) said that the report contained an extensive section on the role of the regional commissions and regional contributions to global policymaking.

17. **Mr. Båge** (International Fund for Agricultural Development (IFAD)) said that coming together as a system, harnessing all the synergies and putting together the capacities of the various organizations was a constant challenge. The Millennium Declaration had generated sufficient new energy for the system to come together, and it now remained for the Member States, within the executive boards and governing bodies, to ensure that the system acted together as "One United Nations".

Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities

18. **Mr. Panić** (Vice-Chairman, Committee for Development Policy) said that the Committee for

Development Policy had discussed the likelihood of achieving development goals, focusing in particular on sub-Saharan Africa, the only region in the world where poverty had increased in the 1990s, a decade in which the international community had reduced its official development assistance (ODA), in which tariffs and agricultural subsidies in developed countries had hindered exports, and in which the capacity of those Governments to manage their economies had weakened. One of the obstacles to achieving the Millennium Development Goals in sub-Saharan Africa was the general weakening of the public sector which had occurred over the past two decades. The attainment of those goals must be a shared responsibility for the Governments and their development partners. Those countries must take steps to improve macroeconomic management, governance and accountability; but, at the same time, the volume and quality of external aid to sub-Saharan Africa must increase substantially. Although the distribution of ODA had improved, the flows still fell short of what was necessary to attain the Goals.

19. The Committee had made a number of recommendations that deserved special attention. Although the projected increase of aid from the European Union countries would contribute to the attainment of goals in the region, increases must be accompanied by improvements in quality. External assistance must be delivered in ways that strengthened the existing administrative machinery, rather than through parallel channels that bypassed and undermined existing institutional arrangements. Steps should be taken to expand the capacity to absorb aid by removing bottlenecks in the productive sectors, particularly the agricultural sector, and by enabling resources to be used effectively. Priority should be given to strengthening institutions and building capacities in order to buttress strategic planning and policymaking, as well as to improving human capital. It was crucial to stem the brain drain. In addition, the monitoring process should be strengthened by improving the statistical capacity of the countries of sub-Saharan Africa, and by enhancing the analytical capabilities of the monitoring framework.

20. While attainment of the Millennium Development Goals was vital, the Committee for Development Policy believed that people in Africa also deserved improved health and education, tools for expanding crop yield, and better infrastructure to assist them in moving from the agricultural sector to other sectors, such as manufacturing and services. Investments in electricity, roads, telephones and irrigation were also crucial in order to achieve a high and sustainable level of growth.

21. **Mr. Alvarado** (Observer for the Bolivarian Republic of Venezuela) said that his country was constructing a new society based on guarantee of the social, economic, cultural and political rights enshrined in the new Constitution — a document drawn up by a group of elected citizens, with the participation of all social sectors, and adopted by popular referendum. The Government had pledged to improve the quality of life for all Venezuelans, in particular those that had historically been excluded, since, as in most underdeveloped countries, poverty was interfering with the enjoyment of social rights.

22. Poverty was a complex, multidimensional process with many causes. Accordingly, the Government proposed the inclusion of new indicators for analysing the attainment of the Millennium Development Goals, which would measure the quality of life and access to health services, education, work and housing, as well as the participation of citizens in decision-making.

23. A subsistence income of one or two dollars daily could not provide a good life: there were poverty-related factors that could not be measured by daily income, such as participation in civic life. It had therefore been decided to establish a set of social missions whose purpose was to ensure the fundamental social rights of the Venezuelan population, with emphasis on those who had been most excluded. Endowed with special resources, planned and implemented by community groups and coordinated on an inter-institutional and inter-ministerial basis, they included the Misión Barrio Adentro ("Into the Barrio Mission") — made possible by a binational cooperation agreement with Cuba — which provided full access to health services and free medicines to the municipalities with the highest exclusion levels; the education missions, which ensured access of traditionally excluded persons to all three levels of education; the Misión Vuelvan Caras ("About-Face Mission"), which was training unemployed young people and adults to organize production and service cooperatives and had reduced unemployment by more than 2 per cent; the Misión Mercal ("Food Market Mission"), which ensured access to the basic food basket for the excluded population, at no cost in cases

of extreme poverty; the Misión Vivienda ("Housing Mission") which sought to provide decent housing with basic services to persons who lacked it; and the Misión Zamora, which enabled campesinos to own the land on which they had traditionally lived and worked, provided training and low-interest financing, and promoted agricultural and fishing cooperatives.

24. Other important achievements included an educational programme which universalized full-day public school education at all levels, including pre-school, with free meals and recreation, and a gender programme ensuring for women equal access to employment, equal salaries in the public and private sectors, and equal access to public positions, including 50 per cent representation by women in the National Assembly. In the area of health, infant and maternal mortality had declined, although the Millennium Development Goal had yet to be achieved, the number of HIV/AIDS cases was reduced and medicine was provided free, and other infectious diseases, such as dengue, malaria and tuberculosis, were also in decline. In the area of the environment, the Government had set aside land reserves covering about 44 per cent of the national territory, and the provision of clean drinking water had risen considerably. Internet centres funded by the State had been established in public schools and in disadvantaged communities.

25. The Bolivarian Republic of Venezuela had achieved, by 2005, many of the targets set for 2015; others were in the process of being achieved. The Government was fully committed to the well-being of the Venezuelan people. In its view, countries receiving funds for the attainment of Millennium Development Goals should accept no conditions that compromised their sovereignty or their right to self-determination. Furthermore, a broad-based debate should be held regarding external debt, its impact on the failure to attain the Goals and the possibility of debt cancellation or other alternative approaches.

26. Lastly, he said that the Government wished to point out that the recently published report of the Economic Commission for Latin America and the Caribbean (ECLAC), entitled, "Millennium Development Goals: a Latin American and Caribbean Perspective" contained inaccurate data, evaluations made out of context, and important omissions, casting doubt on the country's activities to combat poverty and hunger. That was a view shared by the United Nations agencies in his country. The Government would like ECLAC to issue a revised version of the report, with its errors corrected.

27. **Mr. Ogunnaike** (Nigeria) said that his country welcomed the Secretary-General's report entitled "Towards achieving internationally agreed development goals, including those contained in the Millennium Declaration" (E/2005/56) and would take steps to implement the recommendations it contained. Nigeria believed that any discussion regarding the Millennium Development Goals must be anchored in the recognition that Governments alone could not achieve their development strategies without support from other sources. The attainment of development goals was a responsibility that should be shared by developed and developing countries, and by the public and private sectors, in a mutually reinforcing way.

28. Nigeria had taken steps to tackle poverty and hunger, despite daunting odds. Its National Poverty Alleviation Programme addressed manpower and capacity development, women and youth empowerment, and the promotion of public-private partnerships. Nigeria had subscribed to the Special Programme on Food Security of the Food and Agriculture Organization (FAO) and had established a unilateral trust fund of $45 million, to be managed jointly by the Government and FAO. Its purpose was to promote agricultural productivity with a view to food self-reliance and sustainable income generation. The programme was currently under way at over 300 locations. The Government provided farming communities with infrastructure for water management, as well as seeds and seedlings, agricultural inputs, and technical information, giving special attention to such commodities as cassava, rice and vegetable oil as well as to tree crops, livestock, fishing and aquaculture.

29. The Government had also intensified its efforts to fight HIV/AIDS and other diseases, and had taken measures to provide access for women to microcredit and microfinance and to encourage them to form cooperatives and to participate in political, social and economic life. It hoped that such measures would help Nigeria to achieve the objectives of the National Economic Empowerment Development Strategy.

30. His Government believed that the provision of development assistance was not only a matter of necessity but also an obligation, and it welcomed the reaffirmation of the 0.7 per cent ODA target and urged

the developed countries that had not yet done so to announce their target dates. Development assistance must not, however, become neutralized by the debt overhang. A comprehensive solution must flow from the recognition that development, defined in terms of human dignity and well-being, was the foundation for peace and collective security. In the view of his Government, resolving the debt crisis would unleash a new wave of vigour and optimism in the development process. It therefore strongly supported the call for annual discussions within the Council on the major social and economic issues; it had often, in fact, advocated such discussions to restore credibility and influence to the organization. The welcome decision by the Group of Eight to cancel the debts of 18 heavily indebted poor countries should, in its view, mark the first step towards a series of more encompassing measures of benefit to other countries as well.

31. As a member of the African Union and the New Partnership for Africa's Development, Nigeria endorsed the call for good governance founded on the rule of law and the protection of human rights, and appreciated the need to meet challenges set by the major United Nations conferences and summits. It hoped that the September Summit would give clear directives to the Sixth Ministerial Conference of the World Trade Organization (WTO) for fulfilling the expectations of the Doha Development Agenda. The international community must create an enabling environment for developing countries, with emphasis on market access and the elimination of tariffs and other harmful barriers.

32. **Mr. Hannesson** (Iceland) said that Iceland would double its ODA by 2009. It was nonetheless clear that economic growth, led by the private sector and a fair international trading regime would be the keys to attaining the Millennium Development Goals. His Government was strongly committed to the multilateral trading system and believed that it was in the common interest to achieve special progress at the WTO Sixth Ministerial Conference later in the year. The health-related goals of the Millennium Declaration were of crucial importance, since diseases and pandemics had dire consequences on development. Health-care systems must be strengthened, providing basic services and treatment to the peoples of the developing world. It was important to safeguard progress made for women and the promotion and protection of their rights, while continuing to implement the Beijing Declaration and Platform for Action. In that regard, Iceland agreed that there was a direct link between the attainment of the Goals and the achievement of gender equality.

33. In order to reduce poverty and catapult developing countries into the modern industrial economy, radical measures must be taken to improve access to energy, including more efficient use of energy resources, the development of new technologies and increasing the use of renewable energy resources, with attention to new energy carriers like hydrogen. Such innovations could help to mitigate the impact of climate change and therefore deserved the backing of the international community. Iceland sought to share with other countries its expertise on the use of geothermal energy, fundamental to its economy; the United Nations University Geothermal Training Programme in Reykjavik was working to assist developing countries with geothermal potential.

34. It was essential to guard against the physical degradation of the environment and the depletion of living natural resources, in particular fish, which must be harvested responsibly and seasonally. Many coastal States and island developing States were heavily dependent on living marine resources. The Global Programme of Action for Protection of the Marine Environment from Land-based Activities, adopted by 108 Governments and the European Commission, was the only global mechanism that explicitly addressed the matter of the relationship between fresh water and coastal and marine environments. Bearing in mind the Johannesburg Plan of Implementation, Iceland urged Governments that were committed to that Programme to take steps to strengthen its implementation.

35. **Mr. Kittikhoun** (Observer for the Lao People's Democratic Republic), speaking on behalf of the Group of Landlocked Developing Countries (LLDCs) said that since the disparities between developing and developed countries were not decreasing, the target date of 2015 for the attainment of Millennium Development Goals might be overly optimistic. In any event, genuine political will and renewed global partnership would be required to set the process in motion. The root cause of the slow and mixed results was a shortage of development funding. Countries with special needs, including the LLDCs, would need a higher level of ODA to meet their development goals. The Group of LLDCs praised the European Union for taking steps to meet the 0.7 per cent ODA target by 2015 and was encouraged by the commitments made

by other donors at the recent High-Level Dialogue on Financing for Development. For ODA to be effective, however, it should conform to the recipient country's development priorities and specificities without stringent conditions or complex disbursement procedures.

36. The Group of LLDCs had spared no effort in implementing the Almaty Programme of Action in the previous year. A number of projects had been put in place in the area of transit infrastructure development for both landlocked and transit developing countries in Asia, Africa and Latin America, including, for example, the Intergovernmental Agreement on the Asian Highway Network, which would fill the missing links in the Asian Highway, thereby boosting regional and interregional trade.

37. Despite the progress achieved in designing the road map, the full and effective implementation of the Almaty Programme of Action would require the partnership of all stakeholders, as that document, the São Paulo Consensus and relevant United Nations resolutions, in particular General Assembly resolution 59/245 had affirmed. The Group of LLDCs reiterated its call for increased financial and technical support from the donor community and hoped that South-South cooperation and triangular cooperation would provide more support. It believed that the implementation of the Almaty Programme of Action should remain an integral part of the overall implementation process and requested that the needs of the LLDCs should be addressed in the outcome to the session under way. The implementation of Goal 8, Target 14, was of particular interest.

38. The Ministerial Declaration, which the Group of LLDCs supported, recognized the special problems and needs of those countries, and called for continued support and assistance in their efforts to attain the Goals and to realize the Almaty Programme of Action. He reminded all stakeholders to honour their commitments in a responsible and holistic manner.

39. **Mr. Choi** Young-jin (Republic of Korea) said that his delegation was concerned at the slow progress in achieving the Millennium Development Goals in some regions of Africa, Asia and the Pacific. Increased attention must be paid to the least-developed countries, taking into consideration the special needs of landlocked developing countries and small island developing States.

40. Development goals were interconnected, with each goal reinforcing every other. For example, the promotion of gender equality contributed to reductions in maternal and child mortality, and environmental sustainability could protect against famine. Achieving development goals was closely linked to implementation of the outcome of the major conferences and summits, and the process could be facilitated by strengthening the critical role of the Council in coordinating stakeholder actions.

41. He wished to highlight four key issues that were critical in achieving development goals: financing for development, rural development, health issues and science and technology. To maximize financing for development, it was necessary to cultivate domestic resources, secure more aid and promote international trade. Domestic resources could be expanded by increasing savings, improving tax administration and making public administration more participatory and transparent. To generate reliable long-term development resources, successful completion of the Doha Development Agenda negotiations was essential. His Government had doubled its official development assistance between 2000 and 2004 and was working to increase it further.

42. A second key issue was rural development. Since three quarters of the world's people living in extreme poverty were in rural areas, national development strategies should be formulated and implemented with a strong focus on rural development. His country's own experience suggested that a successful programme should feature enhancement of infrastructure, implementation of new technology to increase agricultural productivity, investment in human resource development and active participation of rural communities in employment and income generation projects.

43. A third concern was health. Three of the eight Millennium Development Goals were focused on health: reducing child and maternal mortality and combating diseases including HIV/AIDS and malaria. The cost of those diseases in economic and social terms was staggering; yet while the international community hesitated, people were dying.

44. Finally, science and technology must be promoted to attain sustainable development. For example, inventing new and affordable vaccines against infectious diseases would not only prevent illness, but

would save resources that would otherwise be needed to cope with their consequences. It was necessary to build the capacity for science and technology in developing countries and to increase international assistance in the critical research areas of agriculture, health and environmental management.

45. **Mr. Arar** (Turkey) said that the causes of poverty could not be eliminated unless structural changes took place. The necessary investment must be made to reduce poverty and income disparity, ensure gender equality and reproductive rights for all, and to protect human rights and the environment. Even though each country had primary responsibility for its own development and implementation of its poverty eradication policies, concerted effort was required at all levels to enable the developing countries to achieve the Millennium Development Goals. Unsatisfactory standards for transparency, the rule of law and good governance were impairing cooperation between donors and recipients. While developing countries were expected to create the necessary environment to improve their economies by mobilizing resources and involving civil society and the private sector, the contribution of the developed countries was of vital importance, as were the timely completion of the Doha Development Agenda and the reform of the major international monetary and financial institutions.

46. Five years of experience in implementing the Goals had demonstrated the urgent need for better coordination of the development policies and the activities of various international actors. The inclusion of development as a standing item on the agenda of the main international forums, such as the group of eight major industrialized countries, would facilitate such coordination and cooperation. He was confident that the Council could make a major contribution as a principal body for coordination, policy review and policy dialogue with respect to economic and social development and the implementation of the outcome of major summits and conferences.

47. **Mr. Siv** (United States of America) said that achieving a victory over extreme poverty would require new thinking and a commitment to core values. Good governance, human rights, a vibrant civil society and an entrepreneurial private sector were essential for sustained development. The United States had pledged to double its ODA by 2006 and had achieved that target three years early. Its development assistance accounted for a quarter of the total provided by the countries of the Organization for Economic Cooperation and Development (OECD). It had also led the way in ensuring that those funds went to individuals in need and countries that had demonstrated their capacity to use them well. States in crisis had received attention through additional commitments for humanitarian aid. The United States led the world with its $15 billion commitment to fight HIV/AIDS, and was the largest donor to the Global Fund to Fight AIDS, Tuberculosis and Malaria. In addition, it provided $500 million annually for voluntary family planning and maternal health care in 60 countries.

48. It was also a leader in the environmental sphere, working domestically and internationally to address the long-term challenges of global climate change. On a broad range of environmental issues, his Government was partnering with Governments, international organizations, businesses and non-governmental organizations to turn international commitments into action. It had also devoted substantial resources to the elimination of violence against women and increasing their participation in political and economic life. Empowering women unleashed enormous potential that would in turn promote development and strengthen democracy.

49. The historic debt forgiveness programme announced by the Finance Ministers of the eight major industrialized countries would allow 100 per cent cancellation of the debt obligations owed to the World Bank, the African Development Bank and the International Monetary Fund by countries eligible for the Heavily Indebted Poor Countries initiative. The United States also remained committed to a successful conclusion of the Doha Round of trade negotiations, as free trade was a keystone of successful development.

50. Development required a broad agenda: aid, trade, investment and debt relief. It also needed the full commitment of developing countries to create a favourable environment for market-led growth. Over the decades, the international community had learned that, without economic and social freedom, the rule of law and honest government, international aid had little value. The greatest contribution the United Nations could provide would be to help countries make and implement the right choices about how to govern themselves. Stable and successful societies were ones that protected the rights and freedoms of all individuals and built the institutions of market democracies. Those

concepts, which were at the periphery of the United Nations development activities, should be at the centre.

51. **Ms. Gallardo Hernandez** (Observer for El Salvador) said that the needs of middle-income developing countries should be considered in the analysis of the Millennium Development Goals. El Salvador had made significant progress during the 1990s in reducing poverty, especially urban and extreme poverty, despite the rapid pace of urbanization during that period. No significant gender disparity had been revealed by a study of poverty levels, but there was no room for complacency, since 43 per cent of the population still lived in poverty. Major progress had been achieved in the areas of education and primary health care between 1990 and 2002. El Salvador had also made an effort to meet its international commitments in the area of gender equality by developing the domestic legislation needed to implement those commitments.

52. *Mr. Verbeke (Belgium), Vice-President, took the Chair.*

53. **Mr. Abdelaziz** (Observer for Egypt) said that his delegation welcomed the role that the Council could play in providing support for countries emerging from conflict through the proposed Peacebuilding Commission. It also support its role in protecting the environment and in facing financial threats. The annual high-level segment could be an important element in both those areas, and that possibility should be studied in greater depth at the current session.

54. His delegation attached particular importance to Africa. The annual meeting of the Council with the international financial institutions could be a useful mechanism for finding innovative sources of development financing, since it would combine the political role of the United Nations with the technical role of the Bretton Woods institutions.

55. With regard to the proposal to establish a Human Rights Council, his delegation favoured strengthening existing bodies rather than establishing new ones. If all Member States were indeed convinced that the Commission on Human Rights could not be reformed, they would have to reach consensus on the form of any new mechanism.

56. He stressed the role of Member States in the work of the United Nations in the development sector and the need for country ownership of development programmes. Egypt had strengthened governance and respect for human rights, as was reflected in the changing role of civil society.

57. **Mr. Nebenzia** (Russian Federation) said that while each country bore the main responsibility for developing and financing its national strategies from its own resources, international development assistance remained crucial. The success of national strategies depended on the readiness of the donor community to accept them as a basis for providing coordinated assistance and supporting their implementation. Along with increasing the volume of ODA, it was essential to increase aid effectiveness. Debt relief would be equally important to the achievement of the Millennium Development Goals. Recognizing the special needs of Africa, Russia planned to cancel bilaterally $2.2 billion of the debt owed by the poorest African States within the heavily indebted poor countries framework. Also, the expansion of international trade and progress towards a more equitable global trading system would create additional opportunities for achieving the Millennium Development Goals.

58. Despite its difficulties with completing the transition to a market economy, his country had made significant progress towards its own set targets. The last four years had been marked by significant growth in gross national product; the real incomes of citizens had increased; social sector reform had been initiated to promote a more equitable provision of social services; and a new Labour Code had been adopted to improve the conditions for labour market development and protection of workers' rights. The Government was paying serious attention to combating HIV/AIDS and was committed to environmental protection and management.

59. **Mr. Aliyev** (Azerbaijan) said that no country could fully develop when its security was undermined and the fundamental rights of its people violated. For that reason, his delegation strongly supported the linkage established between development, security and human rights by the Secretary-General in his document entitled, "In Larger Freedom". Poverty reduction and improved living standards were twin development goals that his country was pursuing through its State Programme of Poverty Reduction and Economic Growth (SPRED). A progress report had stressed the need for linking those policy measures to the budgeting process. For Azerbaijan's economy to develop, broader opportunities for private sector growth must be created.

Accordingly, small- and medium-size enterprise development had been strengthened by the adoption of the State Programme on Entrepreneurship. To demonstrate its commitment to spending its oil revenues prudently, his country was conducting a pilot Extracting Industries Transparency Initiative. Under its programme entitled "Converting black gold into human gold", the Government had increased its support to the education sector and planned to complete the reform of the overall State system of public administration, legislation and policies by 2015.

60. The challenges ahead included: the development of a strong statistical base for setting baseline targets; strengthening the process of budgeting; and, most important, mitigating the economic, social and environmental impacts of the occupation of 20 per cent of Azerbaijan's territory by Armenia. Given the need to address the economic and social dimensions of conflict, he supported the idea of the Council working with the proposed Peacebuilding Commission and, ultimately, with the Security Council. The Council's involvement should expand beyond countries emerging from conflict and its policy guidance role with respect to countries in conflict should be enhanced.

61. **Mr. Kapoma** (Observer for Zambia) said that Zambia was determined to graduate from the least developed category through the implementation of the sound economic development programmes, contained in its national Poverty Reduction Strategy Paper which were also aimed at achieving the Millennium Development Goals. Accordingly, the Government had scaled up the implementation of structural reforms, with a focus on improving public expenditure management and financial accounting so as to create an environment for good economic governance. Emphasis was also being placed on the development of the private sector as the engine for growth. To that end, a private sector development plan had been prepared, aimed at removing bottlenecks and creating a conducive environment for investment and trade.

62. Zambia had registered positive growth since 1999, averaging 4.6 per cent per annum. That growth had extended beyond the mining sector to include construction, agriculture, manufacturing and tourism. Among the country's challenges were the very high levels of poverty, inadequate domestic funds to support development, and a weak and insufficient human resource base. To achieve the Millennium Development Goals, the Government would continue to implement bold measures to create wealth, reduce poverty and improve efficiency in the utilization and management of resources. He urged the international community to increase the volume and quality of aid and technical assistance to Zambia.

63. **Mr. Requeijo Gual** (Cuba) said that the international community was experiencing the greatest inequality humanity had ever known, and even the modest Millennium Declaration was in danger of remaining unfulfilled. People who were starving now numbered 850 million, almost a billion adults were illiterate, 325 million children did not attend school, 11 million boys and girls died each year of preventable and curable diseases, and more than half a million women died each year during pregnancy or labour. The global order was dominated by mistaken and unsustainable neoliberal policies. Overwhelming foreign debt and the net transfer of resources towards the developed world, the evident failure to comply with ODA commitments, and the lack of political will to revamp the multilateral monetary, financial and commercial system contrasted with the billions of dollars that rich nations spent on agricultural subsidies and weapons.

64. Development should be placed at the centre of the United Nations agenda and should not be hampered by a group of rich countries that openly pressured the South by imposing conditionalities which guaranteed the pre-eminence of economic, social, political and cultural models condemned to failure. Any serious proposal for United Nations reform should include the promotion of genuine development and international cooperation in all fields.

65. **Archbishop Migliore** (Observer for the Holy See), while welcoming the agreement by the Group of Eight ministers of finance to cancel the debts of 18 heavily indebted poor countries, noted that the actual sums remained modest when compared to global military expenditures and to the subsidies paid by the industrialized countries to sectors in their own economies, which created severe distortions in the poorest countries. He hoped that the debt remission measures would be extended to some 38 heavily indebted poor countries and that those measures would not affect other aid programmes. Debt remission and increased ODA must be complemented by the creation of an international trading system friendly to the most highly indebted countries which, on their part, must

promote an economic development fully responsive to local social needs.

66. Basic scientific research, the promotion of agriculture in poorer regions and the industrial development of pharmaceutical products to combat such tropical diseases as malaria must also be financed. He saw no point in waiting for private investment in such fields, since the problems involved did not concern directly the public of the rich countries. What was needed was a generous provision of public monies in favour of initiatives such as the Global Fund, to elicit intensive and broad participation of the world's scientific research institutes.

67. **Ms. Sarfaraz** (All Pakistan Women's Association) drew attention to the Islamabad Plan of Action, adopted at the International Conference on Gender Mainstreaming and the Millennium Development Goals, organized to mark the centenary of Begum Raa'na Liaquat Ali Khan, who had won the United Nations Human Rights Award in 1978. The Plan of Action sought to promote gender-based approaches to achieving the Millennium Development Goals. Participants had pledged to implement the Plan and to comply with the principles of good governance, the rule of law and gender mainstreaming, as well as work towards eliminating gender-based discrimination and provide equal access for women. They had called on the international community and stakeholders to strengthen their political will and provide the financial support needed to translate their commitments into action, and to reaffirm their support for the Beijing Platform for Action.

68. **Ms. Agrebisaid** (Association tunisienne des mères) drew attention to the Tunis Declaration, which called on Governments to promote the use of information and communication technologies (ICT) and to provide training, equipment, financial and human resources, especially for families with special needs, at the private and municipal levels. The Declaration also introduced innovative measures for promoting partnerships among Governments, the private sector and civil society in order to: work towards the Millennium Development Goals; eradicate gender inequality through ICT; set up ICT training programmes for mothers and children; and ensure equitable employment in ICT sectors. Further, it encouraged NGOs to monitor the implementation of both the Declaration and the Tunis Plan of Action and to report on the progress achieved each year.

69. **Ms. Durbak** (World Information Transfer) said that, since healthy productive people were the greatest asset of any nation, it was encouraging to note that those issues had been addressed in Millennium Development Goals 4, 5 and 6. Her organization strongly supported efforts to prevent catastrophes of the types which had occurred at Chernobyl and Bhopal and to draw attention to the health dangers of unclean water and the presence of chemical pollutants. She recommended that Governments should: implement the health-related Millennium Development Goals by coordinating efforts to strengthen public health infrastructure, more rapidly report cases of disease, particularly those with the potential to become global pandemics; and increase public knowledge of science-based health information to reduce the possibility of disease catastrophes.

70. **Ms. Bernardes** (Oasis Open City Foundation) said that the Sintra Declaration for developing Agenda 21 was a follow-up to the statement made by Brazil at the Council's 2004 high-level segment. Through the leadership of Oasis Open City Foundation, non-governmental organizations, local authorities, scientific community, schools and civil society were all working together to implement major development activities at the local level.

The meeting rose at 1.15 p.m.